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## EDITORIAL

**Dear Readers,**

**Welcome to the latest edition of Microinsurance Pulse!**

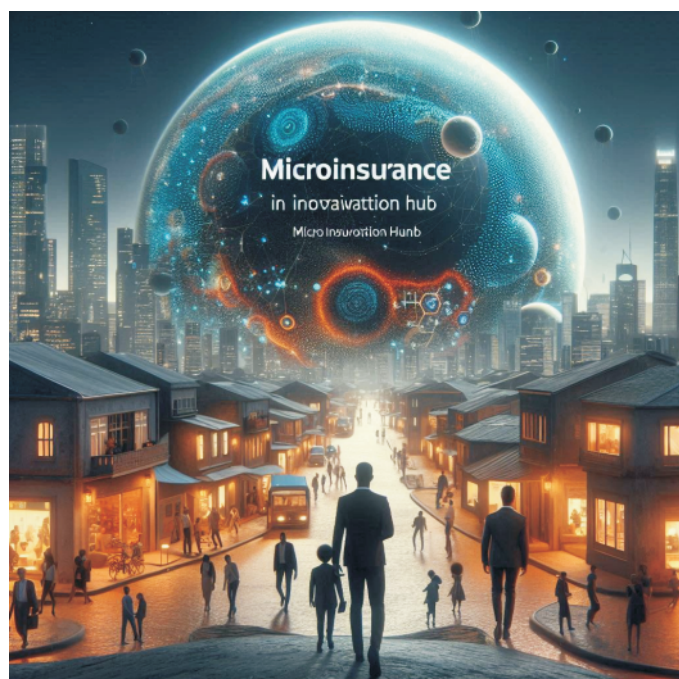
In this issue, we delve deep into the dynamic world of microinsurance, exploring insights, trends, and impactful initiatives that shape the landscape. As the global demand for accessible and affordable insurance solutions continues to grow, our mission at Microinsurance Innovation Hub remains steadfast: To empower individuals and communities through tailored microinsurance offerings.

This month, we're thrilled to feature exclusive contributions from industry experts like Mr. Unnikrishnan I, Managing Director and CEO of Yogakshemam Loans Limited, and Mr. Nagaraju Mengani, CEO of Temple Tree Technologies, their expertise sheds light on the transformative power of microinsurance and the innovative strategies driving penetration in India.

Additionally, highlighting the insights from landscape study by The Microinsurance International Network 2023, showcasing key trends, market expansion, and the transformative potential of innovative technologies. We are glad that we were able to share some excerpts from Indian markets.

We're also excited to announce that Microinsurance Pulse is now open for exclusive articles and product information.

Warm regards,  
**Supriya & Farha**





## "Unlocking Micro Insurance Penetration in India: The Role of Mobile User Experience Design"

~85% of Indian population lives in Rural and Sub urban areas with an average annual income of 125,000 rupees to 5,00,000 rupees per annum.

Despite the potential, market penetration remains low, largely due to supply-driven models and a lack of awareness among the target demographic. This challenge can be addressed by providing a vernacular, easy-to-use mobile platform with a user-friendly experience. We are addressing this challenge with a mobile-first and cloud-first strategy to continuously build and deliver mobile apps that can improve market penetration, efficiency, and the quality of services delivered to customers with a great digital experience.

MicroNsure strongly believes the mobile platform stands out as a promising channel to bridge the gap between service providers and consumers. A well-designed mobile user experience can address several challenges:

**Simplicity and Clarity:** The user interface should be straightforward, avoiding clutter and using clear language to accommodate users who may be semi-literate or unfamiliar with complex insurance

terminologies.

**Accessibility:** Designing for a diverse user base means ensuring the app is usable across various devices and adaptable to different levels of digital literacy.

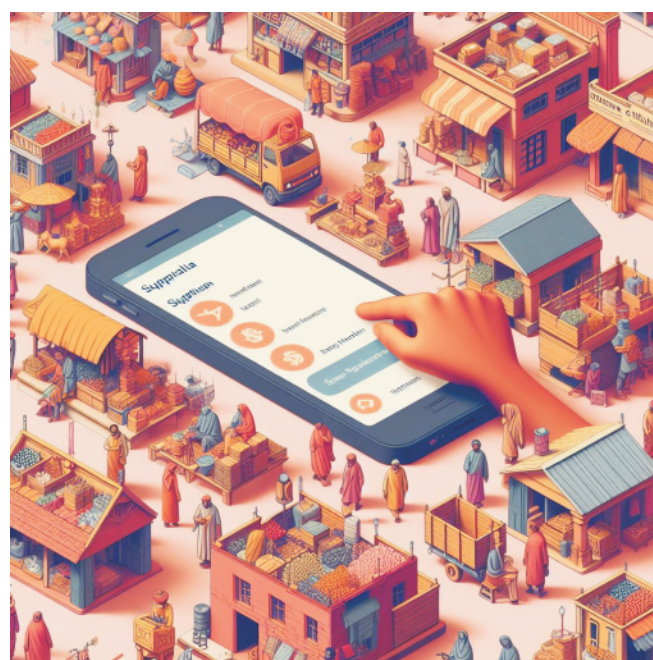
**Engagement:** Leveraging insights-driven personas can help create a more personalized experience, increasing user engagement and trust in the service provided.

**Distribution and Service Delivery:** An intuitive mobile UX can simplify the distribution process, making it easier for users to sign up, pay premiums, and file claims, thus overcoming the traditional barriers of microinsurance distribution.

MicroNsure is creating a seamless, inclusive, and empowering mobile experience for the most vulnerable. It's about designing for a better future, one tap at a time. We are increasingly focusing on digital and financial inclusion, making insurance more consumer-friendly, especially for the informal sector. The future of microinsurance in India is closely tied to the evolution of mobile UX design, which has the power to transform how insurance is perceived and accessed by millions.

**Nagaraju Mengani**  
CEO

**Temple Tree Technologies**





### Eminent Personality's Insights

**Unnikrishnan I**, Managing Director and CEO  
Yogakshemam Loans Limited

Finance professional with more than 35 years of experience. Started Yogakshemam Loans Limited, a NBFC with an asset size of more than Rs

500cr. Was part of the senior management team of Manappuram Finance, the first ever NBFC to do gold loan business in India in the year 1997.

#### About Yogakshemam Loans Limited

Yogkashemam ( YOGLOANS) is a NBFC based in Thrissur with more than 164 branches across Kerala, Tamil Nadu, Andhra and Karnataka.

#### What motivated you to get involved in the distribution of microinsurance?

Simple product appealing to a large number of small value customers. Quick TAT, simple documentation and claim processing builds a clear value proposition to the customers. The products and services address the pain points of the customer. This customer centric approach opens us for a broader audience elevating the business opportunities. This way we serve ourselves as well as

our customers which is a win-win situation..

#### What positive impacts have you observed since the introduction of microinsurance in the communities you serve?

A timely helping hand to those in distress helps a company to become socially relevant. Micro Insurance assumes lot of importance in the context of Social Impact of a business. The at most adversities like life risk, illness, natural disasters are protected through microinsurance which impacts the dependants life dramatically. This also adds us to the inclusiveness in insurance sector by covering unserved larger population of our country.

#### Can you explain the microinsurance products you distribute?

Our products portfolio includes gold loans, vehicle loan, SME loan, Microfinance to minimum of 5 members to a maximum of 15 members with simplified documentation. We provide top up facility with flexible duration. Special schemes for ladies, employees, agriculturist set us apart from our competitors.

## GUESS WHAT?



**At Microinsurance Innovation Hub, we're on the brink of unveiling something truly groundbreaking that will redefine the way you perceive microinsurance. From innovations to transformative insights, we're gearing up to revolutionize the industry like never before. Get ready to embark on a journey filled with inspiration and innovation. Stay tuned – the countdown to an extraordinary microinsurance experience is officially on!**



## The Microinsurance Landscape

The landscape study by Microinsurance International Network 2023 edition, 294 insurance providers in 36 countries serving 330 million given a study of benefit outreach to 11.5% of the population.

### Some of the key findings and trends highlighted in the study:

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- ♦ **Market Expansion:** The microinsurance market is expanding beyond pre-COVID levels, with providers reporting growth in their microinsurance portfolios in 2022. There has been continuous growth post-pandemic, with a notable recovery in 2021 and further growth in 2022.

- ♦ **Premium Growth:** Premiums collected in 2022 experienced a 12% growth compared to previous years, indicating a positive momentum in the market.

- ♦ **Market Size:** The total premiums collected in 2023 amounted to USD 5.8 billion, representing only 15% of the estimated market size of USD 41.4 billion across the 36 countries covered by the study. This suggests a significant growth opportunity for insurance providers who can offer relevant and affordable products to low-income communities.

- ♦ **Innovation:** Despite challenges, innovation continues to emerge in the microinsurance sector. For example, there have been innovations in product design for property and income microinsurance, driven by a higher awareness of business interruption risks due to the pandemic. Insurers are exploring automated processes for claims payments using technologies like blockchain, smart platforms, and AI.

- ♦ **Social Performance Indicators:** The study analyzed social performance indicators such as claims ratios and gender-disaggregated data for each product type. A median claims ratio of 21.7% was reported in 2022 for all products and regions, remaining stable compared to previous years.

- ♦ **Regional Distribution Channels:** The study provides insights into primary distribution channels by region and the proportion of products utilizing different distribution and payment channels.

Understanding these channels is crucial for insurers to reach a broader market.

These findings and trends underscore the dynamic nature of the microinsurance landscape in 2023, highlighting both opportunities for growth and challenges that need to be addressed by stakeholders in the industry.

### Contribution by MicroNsurance to the study:

India houses the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme, a government-subsidized crop insurance scheme launched in 2016.

In 2022, PMFBY covered almost 27.8 million people and collected USD 3.66 billion in gross premiums (including both farmers' contributions and government subsidies).

PMFBY is the third largest product line in terms of people reached and the highest in terms of premiums collected.

MicroNsurance stands as a leading advocate for financial inclusion and resilience. Our CEO & Founder, Kamalakar Sai Palavalasa, and Consulting Head, Supriya Goli, contributed valuable insights to the discourse. Notably, India's Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme, discussed in the study, underscores the significant strides in reaching nearly 27.8 million individuals and collecting USD 3.66 billion in gross premiums by 2022. With a strong presence in India, Asia, and Africa, our mission remains steadfast: to make insurance accessible and affordable for low-income communities.

Attaching the link of the entire Microinsurance International Network 2023 edition.



**Scan this QR Code for  
Landscape of Microinsurance web link**



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## Did you Know?

### The trends in insurance industry





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# GLOBAL CONFERENCE OF MICROINSURANCE

## KEY THEMES



Innovation in  
Microinsurance solutions



Digital Transformation for  
Inclusive Coverage



Sustainable Practices in  
Microinsurance



Community  
Empowerment through  
Microfinance

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**KEARNEY**



## Blog Corner

### The Role of NGOs and Microfinance Institutions in Microinsurance

Microinsurance plays a vital role in providing risk protection and financial security to the economically vulnerable communities. Non-Governmental Organizations (NGOs) and Microfinance Institutions (MFIs) are key players in the facilitation and promotion of microinsurance services, particularly in regions where formal insurance penetration is low. This article explores the significant roles that NGOs and MFIs play in advancing microinsurance and its impact on socioeconomic development.



#### The Role of NGOs

**Community Outreach and Education:** NGOs have strong community networks and are instrumental in raising awareness about the importance of insurance. They conduct educational programs to explain insurance concepts and benefits to individuals who may be unfamiliar with formal financial services.

**Trust and Credibility:** NGOs are often perceived as trustworthy entities within local communities. This trust is crucial for encouraging individuals to take up microinsurance products.

**Distribution Channels:** NGOs act as effective distribution channels for microinsurance products. They leverage their existing infrastructure and relationships to reach remote or marginalized populations who are otherwise challenging to access.

**Advocacy and Policy Influence:** NGOs engage with governments and stakeholders to address regulatory barriers and ensure that microinsurance remains accessible and beneficial.

#### The Role of Microfinance Institutions (MFIs)

**Integration with Financial Services:** MFIs already

provide financial services to low-income clients, making them well-positioned to integrate microinsurance into their offerings. This integration enhances the overall financial resilience of clients by providing comprehensive risk management tools.

**Risk Management for Microfinance Clients:** MFIs understand the risks faced by their clients, such as crop failure or health emergencies, and can tailor microinsurance products accordingly. This approach complements their microfinance services and strengthens client relationships.

**Capacity Building and Training:** MFIs offer training sessions to clients on financial literacy and risk management, including the benefits of microinsurance. This education empowers clients to make informed decisions about their financial well-being.

**Sustainability and Scale:** MFIs contribute to the sustainability and scalability of microinsurance programs. By leveraging their operational efficiency and client base, they can drive down costs and expand outreach.

#### Impact and Challenges

NGOs and MFIs are instrumental in extending the reach of microinsurance to underserved populations, thereby contributing to poverty reduction and sustainable development. However, several challenges persist, including limited awareness, affordability, product design complexities, and regulatory constraints.

#### Conclusion

NGOs and MFIs are powerful catalysts for scaling microinsurance and improving financial resilience among low-income households. Their collaborative efforts with insurers, policymakers, and communities are essential for realizing the full potential of microinsurance in promoting inclusive financial systems and ensuring social protection for the most vulnerable segments of society. Through continued innovation and partnerships, NGOs and MFIs can further enhance the impact of microinsurance and pave the way for inclusive and sustainable development.

#### About MicroInsurance Innovation Hub

The MicroInsurance Innovation Hub aims to revolutionize the MicroInsurance segment, especially in India and the Asia Pacific region. Based in Hyderabad, it focuses on developing inclusive insurance solutions tailored to underserved populations. By exploring product, technological, and process requirements, the hub supports interested companies in penetrating this market segment. With a mission to serve the underprivileged, it strives to enhance insurance penetration and foster inclusive growth.

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