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A unique partnership between insurance and telecommunications companies proves a different path to increase access to health financing.

Airtel Insurance with MicroEnsure

IMPLEMENTATION DATE: January 2014 to Present

Sustainable health microinsurance at scale

Health insurance penetration in Africa remains under 1 percent, serving fewer than 3 million people, despite there being over 400 non-profit and private health insurance schemes active across the continent. Along with a range of other factors, the high expense of traditional health insurance keeps it out of the hands of the mass market. While public health insurance projects are underway in many markets, MicroEnsure decided to pursue a complimentary private solution with Airtel, a pan-African telecommunications company.

By introducing consumers to a free, basic health insurance product, establishing trust through transparent, reliable operations, and then offering iterative up-sell products to allow customers to increase their coverage by paying larger premiums, MicroEnsure believed it could create an alternative path to health insurance coverage.

About Airtel Insurance with MicroEnsure

MicroEnsure and Airtel launched their first simple health insurance product in Ghana in January 2014 and have since launched in seven other African markets. The product is relatively straightforward: Airtel rewards loyal customers (who registered for the product by dialing a shortcode) with free insurance as long as they spent a minimum amount of airtime (usually \$2). The more a customer spent with the telecom, the more health insurance could be earned. Customers were educated as to how the product works via a Unstructured Supplementary Service Data (USSD) menu showing policy information and through monthly SMS

communications informing them the amount of insurance they earned for the following month.

The health insurance offered a simple benefit, consistent across every market: qualifying customers received one month of hospital cash as a lump sum of up to \$150 paid to them via mobile money if they spent three nights or more in any hospital across the nation, for any medical reason, with no exclusions. This wide-open claims model was designed to eliminate the fine print traditionally associated with insurance and to demonstrate a reliable product. Furthermore, even a small amount of health insurance coverage represent-



ed a massive improvement over the status quo in these developing markets, and provided a preliminary foray into health financing.

SIM-card swapping is common in Africa and there is generally a low level of brand loyalty towards many African telecoms. Because the MicroEnsure-Airtel product was expected to increase brand loyalty as

well as revenue for the telecom, Airtel paid the premiums to MicroEnsure and its partner insurance companies in various markets. The customer's airtime was not deducted but rather the cover was provided for free and paid by the telecom on the basis of the overall increase in value to their core business (via airtime spend) from the portfolio of insured customers.

This business model therefore offered a “win-win-win” for the patient, distributor, and insurer alike. The patient received free and reliable means of mitigating risk, the distributor received a product to increase revenue and brand loyalty, and the insurer saw millions more customers become policyholders on a financially viable basis as premiums exceeded the cost of claims.

Evaluation and Results

The major objectives for this project concerned scaling health microinsurance, financial sustainability, and creating new market penetration by offering customers their first-ever health insurance policies. While health insurance enables access to inpatient hospital care, the impact of this product on health outcomes is not yet known.

In 2014, more than 3.1 million customers enrolled in simple, free health insurance through Airtel and MicroEnsure. As of May 2014, the product has expanded to eight African markets and all products are still available. Surveys across operating markets have indicated that for 86 percent of Airtel/MicroEnsure's customers, Airtel Insurance was their first insurance policy of any kind.

Lessons Learned

- **Low health insurance penetration is not a result of a lack of demand** but rather a function of high cost, low trust, poor access, and product complexity.

- **A simple health insurance benefit is perceived as better than having no health insurance at all;** it is not necessary for the uninsured customer to enroll for full health coverage from the start.
- Mobile channels offer important assets to enhance an mHealth service, but the telecom will only unleash those assets if they will directly benefit in their own core business growth; **the benefit must be clearly communicated to show the mutual gains received through the initiative.**

Conclusion

Airtel and MicroEnsure received positive first-year results from and testimonials about Airtel Insurance. Contrary to many common assumptions about health financing, the partners have proven a different path to increase access to health financing and anticipate continued product development.

Plans for the product moving forward include offering higher amounts of coverage for which customers would pay. In March 2015, Airtel and MicroEnsure began offering an up-sell product which provided double the amount of coverage for the subscriber; the same coverage was also offered to a family member. Within the first two months, more than 50,000 customers had purchased the up-sell and many said they were excited to do so based on the provenance of the initial free insurance product.

Later in 2015, MicroEnsure and Airtel will launch mHealth services to Airtel Insurance customers, allowing them to enjoy health financing as well as health education products in a simple package that can be offered at scale from day one. ■

Geographic Coverage: Ghana, Zambia, Burkina Faso, Nigeria, Niger, Madagascar, Kenya, Malawi

Implementation Partners: MicroEnsure; Airtel Africa

Donor: None

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