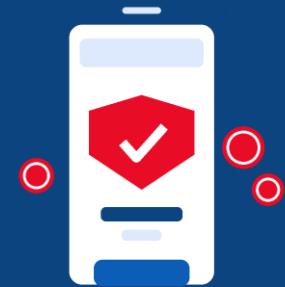


Microinsurance as a Strategic Growth Opportunity

Expanding Access to Underserved Markets



Microinsurance is a type of insurance specifically designed for low-income individuals, informal sector workers, smallholder farmers, and underserved communities. It provides protection against risks such as death, illness, accidents, crop failure, and loss of income through low-cost premiums, simplified products, and accessible distribution channels.

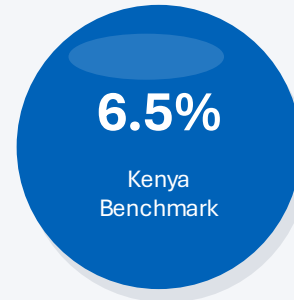
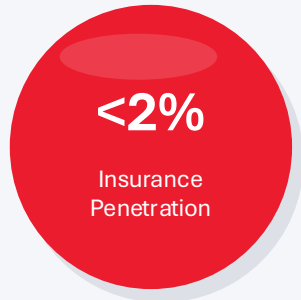
Microinsurance aims to enhance financial resilience by protecting vulnerable populations from unexpected shocks that could otherwise push households into poverty.

Key Features of Microinsurance

- 1** Affordable Premiums – Low premium payments, typically ranging from \$0.50 to \$5, making insurance accessible to low-income earners.
- 2** Simple and Easy-to-Understand Products – Policies are designed with straightforward coverage and minimal complexity.
- 3** Flexible Payment Options – Premiums can be paid daily, weekly, monthly, or seasonally through mobile money platforms and digital wallets.
- 4** Fast and Simplified Claims Process – Reduced documentation requirements and quicker claim settlements, often within 24–72 hours.
- 5** Wide Accessibility Through Digital Channels – Distributed through mobile money platforms, cooperatives, microfinance institutions, and community networks, enabling reach into remote and underserved areas.

The Protection Gap: A Market Failure With Identifiable Causes

Zimbabwe's insurance penetration exposes structural gaps that require strategic intervention.



Four Root Causes of the Gap

01 Affordability Barrier

Premium structures designed for formal-sector incomes price out 80% of the population.

02 Trust Deficit

Claims complexity and delayed settlements have eroded confidence in insurance institutions.

03 Product-Market Mismatch

Products built for salary earners fail seasonal and irregular income earners.

04 Distribution Gap

Branch-based models cannot reach the 5.2 million financially excluded Zimbabweans.

Who Is the Underserved Market?

Four distinct addressable segments carry real economic activity and insurable risk.

01 Smallholder Farmers

1.8M households exposed to weather, crop failure and input loss. No access to agricultural insurance.

02 Informal Traders

2.3M operators in urban and peri-urban markets. Daily revenue risk with zero loss-of-income cover.

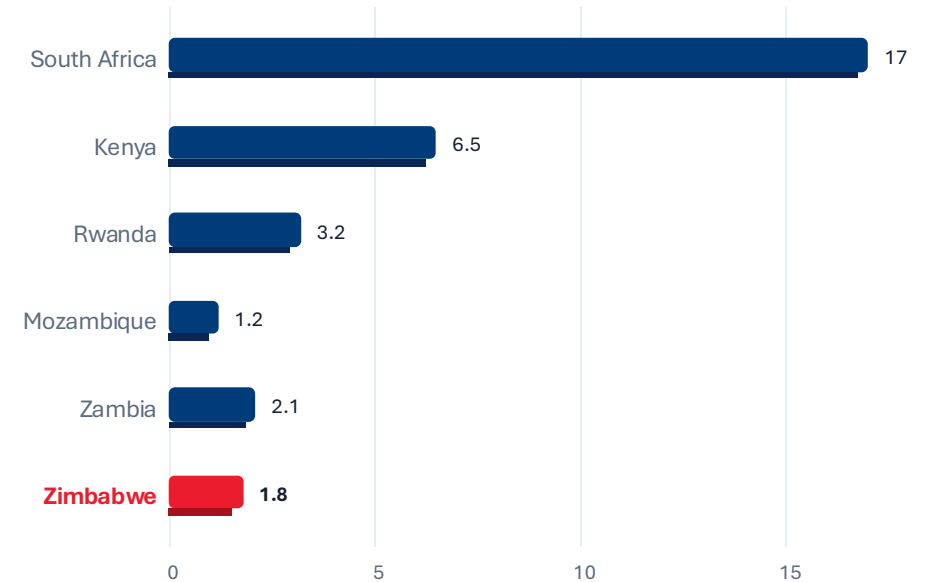
03 Gig and Contract Workers

Growing segment across ride-hail, delivery and construction. No employer-linked benefit access.

04 Low-Income Urban Households

Earning below the PDL of USD \$670 per month. High funeral cost exposure. EcoSure reaches under 15%.

Insurance Penetration: Regional Comparison (%)



Microinsurance: Purpose-Built Architecture

Five structural differences separate microinsurance from conventional insurance.

Dimension	Conventional Insurance	Microinsurance
Premium Structure	Monthly or annual fixed premiums of \$20 to \$200 or more	Micro-premiums of \$0.50 to \$5, pay-as-you-go or bundled
Distribution	Agents, brokers and physical branches	MNO rails, digital wallets and cooperative networks
Claims Process	Documentation-heavy with 30 to 90 day settlement	Parametric or fast-track settlement within 24 to 72 hours
Underwriting	Individual risk assessment	Group pooling and community-based aggregation
Regulatory Treatment	Full Insurance Act compliance	Proportionate regulation under the IPEC Sandbox

The IPEC Innovation Sandbox, active since 2023, provides a controlled pilot environment for new microinsurance products.

Global Proof Points: Design Principles From Scale

India, Kenya, Ethiopia and Rwanda confirm microinsurance viability at scale.

INDIA IRDAI Regulatory Framework

- Dedicated Microinsurance Regulations from 2005, revised 2015, impose a mandatory 5% rural portfolio obligation on all insurers.
- Pradhan Mantri Fasal Bima provides crop coverage for 55 million farmers with premiums capped at 2% for food crops.
- The Jan Suraksha Scheme delivers \$0.50 per year accidental death cover that enrolled 120 million workers in 24 months.

ETHIOPIA Index-Based Agricultural Insurance

- ILRI-developed weather index products cover drought risk for 200,000 farmers across Tigray and Oromia.
- Parametric payouts are triggered by satellite rainfall data with no claims assessment required at farm level.
- Loss ratios held at 65 to 70%, confirming commercial viability without government subsidy.

KENYA Mobile-Integrated Health Cover

- M-TIBA delivers health microinsurance via M-Pesa reaching 1.8 million users, with claims processed in under four hours.
- Kilimo Salama uses satellite-triggered index insurance covering 185,000 smallholder farmers with zero paperwork claims.
- Penetration rose from 2.9% in 2011 to 6.5% in 2023, with microinsurance contributing 1.8 percentage points of that growth.

RWANDA Community Health Scheme

- Mutuelle de Sante covers 92% of the population at a \$3 per year premium through community structures.
- A government co-subsidy model collects premiums through cooperatives at local Umurenge offices.
- Claims processing is decentralised to district health centres with a 48-hour reimbursement standard.

The Zimbabwe Opportunity Stack: Rails, Regulators and Ready Markets

Existing domestic infrastructure creates deployment conditions that did not exist five years ago.

Existing Domestic Attempts

- Mobile Money-linked funeral and life cover with over 500,000 active policies
- Agricultural insurance pilots covering seasonal crop production
- Formal funeral parlour schemes operating as de facto micro-life products across 800,000 accounts
- Microinsurance distributed through labour unions

Digital Rails Available

- Mobile money with 6.5 million active wallets accessible via USSD and mobile app
- Alternative Mobile Money USD digital wallet with 1.2 million users and open API architecture
- Interbank real-time payment infrastructure ready for premium debit integration
- Mobile Money rural reach into areas with under 5% formal banking penetration

Regulatory Enablers

- IPEC Sandbox fast-track approval for innovative insurance products within a 6-month pilot period
- IPEC Microinsurance framework issued 2024 proportionate regulation provisions that remain under-utilized
- RBZ Financial Inclusion Strategy 2022 to 2026 with an explicit microinsurance penetration target
- NDS1 Pillar 3 financial sector development mandate that supports enabling regulatory frameworks

Product Typology: Five Lines Mapped to Target Segment

Each product matches the distribution infrastructure and demand segment that makes viability achievable.

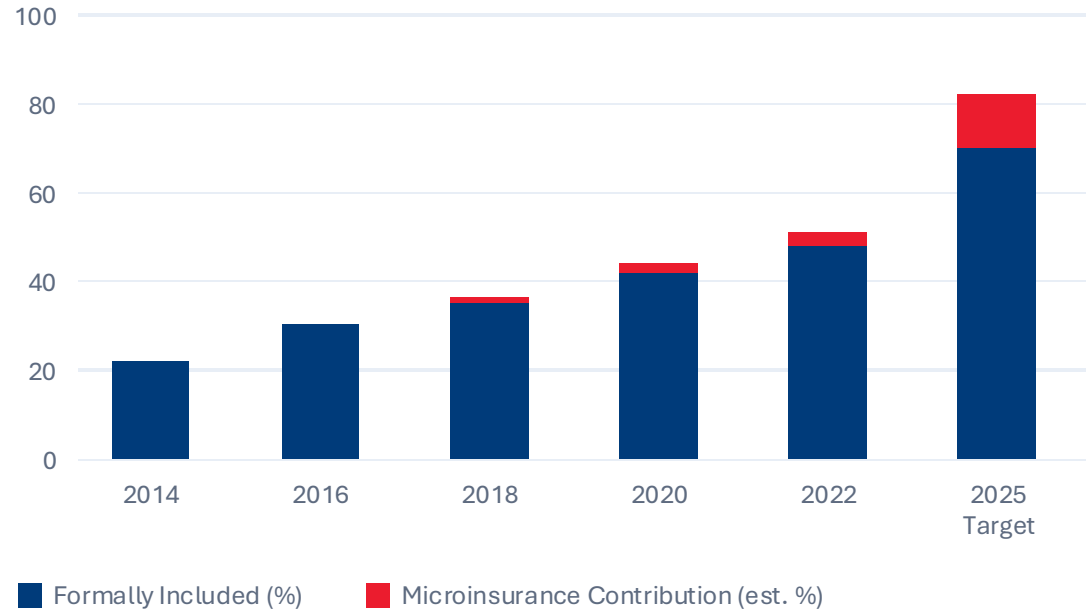
Product	Distribution Partner	Target Segment
Index-Based Agricultural Insurance	Banks	1.8M smallholder farmers
Micro Life and Funeral Cover	Mobile Money institutions	Urban informal sector
Health Microinsurance	Health Insurance Institutions	Gig and contract workers
Credit-Linked Micro Cover	Micro Finance Institutions	Microfinance clients
Parametric Weather Products	Reinsurers	Communal farmers

All five products qualify for IPEC Sandbox fast-track consideration, enabling a 6-month pilot to licence pathway.

The Financial Inclusion Imperative

Zimbabwe's 5.2 million financially excluded adults form the largest addressable gap in the SADC region relative to GDP.

Financial Inclusion Progress and Microinsurance Gap



5.2M

Financially excluded adults forming the largest reachable segment

\$303

Poverty Datum Line representing the monthly household cost of living

6.5M

Active Mobile Money wallets as the primary distribution channel

IPEC Sandbox

Active since 2023 with 6 products under review and zero microinsurance applications filed

Strategic Alignment: NDS1, Vision 2030 and Four SDGs

Microinsurance operates as financial inclusion infrastructure within national development priorities.

NDS1 and Vision 2030 Linkages

NDS1 Pillar 3 Financial Sector Development carries an explicit directive to expand financial inclusion to 80% of adults by 2025.

NDS1 Pillar 4 Social Protection where microinsurance reduces government fiscal exposure to drought and health shocks.

Vision 2030 Upper-middle-income status requires household resilience infrastructure as a core component.

Insurance Act Review Proposed amendments under consideration include proportionate licensing for micro-risk carriers.

SDG Alignment

SDG 1: No Poverty Micro life and funeral cover prevents asset liquidation during bereavement, protecting household wealth.

SDG 3: Good Health Health microinsurance reduces catastrophic out-of-pocket spending that drives 38% of poverty entries.

SDG 8: Decent Work Credit-linked and gig-worker products formalise economic participation for 2.3 million informal traders. (financial inclusion)

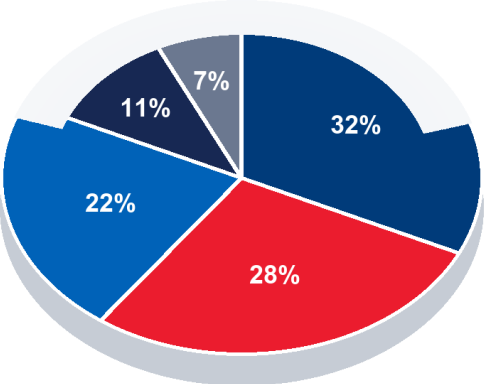
SDG 10: Reduced Inequalities (Food Security) Parametric agricultural insurance transfers climate risk away from subsistence farmers.

Commercial Viability: The Data Confirms It

Sustained loss ratios of 60 to 75% and premium growth exceeding 18% CAGR define a revenue opportunity.

Estimated Revenue Mix

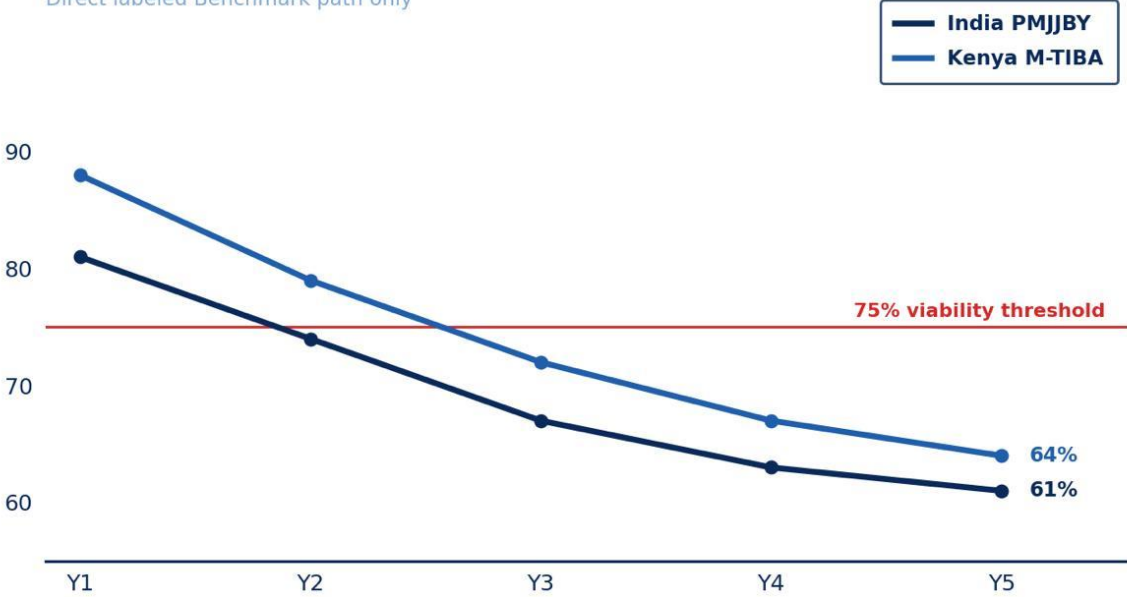
Market Opportunity Share



Agricultural Insurance	32%
Micro Life and Funeral	28%
Health Micro	22%
Credit-Linked	11%
Parametric Weather	7%

Loss Ratio Trajectories by Programme Year (%)

Direct labeled Benchmark path only



Loss ratios below 75% by Year 3 mark the commercial viability threshold for sustainable microinsurance. Sources: ILO 2023, IRDAI.

Recommendations

Microinsurance scales through enabling frameworks, viable commercial models and committed distribution.

Regulatory Enablers

- 1 Create a standalone Microinsurance Provider category under the Insurance Act with a proportionate licensing pathway.
- 2 Expand the IPEC Sandbox scope to include MNO-distributed products without traditional insurer sponsorship.
- 3 Mandate a minimum 5% rural and informal premium portfolio for all licensed short-term insurers by 2027.
- 4 Introduce a 60-day parametric product approval fast-track in place of the standard 18-month cycle.
- 5 Align microinsurance reporting standards with the RBZ Financial Inclusion Strategy targets.

Industry Action

- 1 Form distribution partnerships with Mobile Money Institutions where the 6.5 million wallet base becomes the channel.
- 2 Industry investment in microinsurance capabilities
- 3 Design claims processes around mobile-first, documentation-free settlement with parametric triggers.
- 4 Price for acquisition volume during the market-building phase where loss-leader logic applies.
- 5 Develop pricing models that draw on existing agricultural loan default data held across the banking sector.

Microinsurance Industry Overview Zim. Where are we?

- As at 31 December 2025: 9 Registered Micro insurers
- Business Written as at 31/12/25: USd3,884,550 & ZWL6,327,392
Capital required : USD100,000 (SI 67 of 2025)

The Microinsurance framework issued in 2024

- Establishes rules for regulating and supervising microinsurance in Zimbabwe.
- **Products must be** :Simple, affordable, accessible, and flexible Easy to understand (including use of local languages)
- Motor insurance and certain high-risk products are excluded
Licences are valid for 5 years.
- Products must be approved by IPEC before launch
Aggregators can distribute products but insurers retain responsibility for conduct and compliance.
- Strong encouragement of ICT and mobile platforms for: Premium collection, Claims processing, Customer communication
- Quarterly and periodic reporting to IPEC

THANK YOU!