Microinsurance schemes that have achieved scale

Scale - reached by selling and retaining large business volumes - is an important (if not the most important) driver of microinsurance profitability. A review of 95 schemes that have achieved scale (> 1m lives/policies in Asia/Latin America, > 500k in Africa) finds the following key characteristics (see infographic):

- 50 per cent of the schemes offer life insurance (term life, credit life or funeral). Health is the second most popular product.
- Distribution is dominated by aggregators. Banks, MFIs and pre-existing groups (like labour unions and savings cooperatives) account for 52 per cent of distribution.
- Half of the initiatives benefit from subsidies, most of the ones that do not are life.
- The majority of the initiatives offer some voluntary products. Only 28 per cent offer only mandatory products.

To learn more the drivers and stages of scale, see Microinsurance Paper 30 - Scale: Thinking Big.