

EFInA Innovation Forum

Microinsurance: Opportunities, Challenges and Innovation in Product Design for the Mass Market

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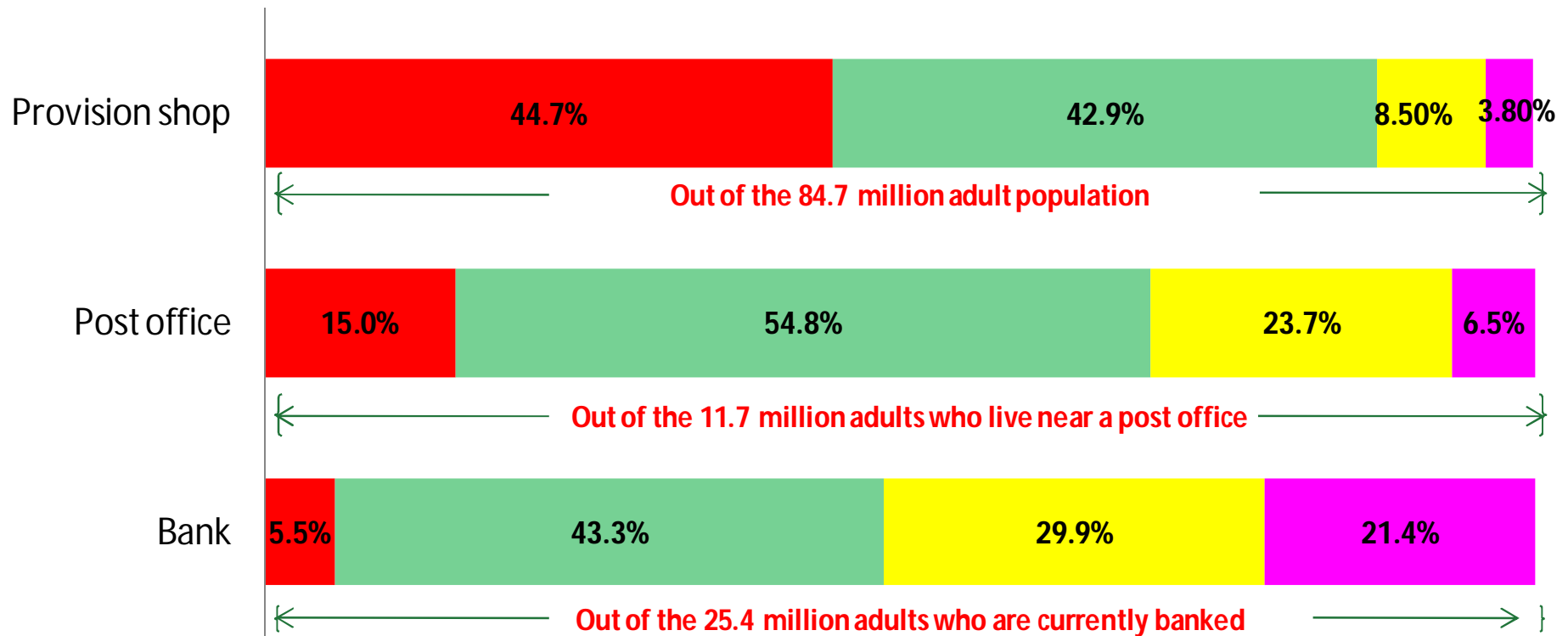
Modupe Ladipo
Executive Director/Chief Executive Officer, EFInA

Comparison of Penetration Levels for

Products/Services	No. of Adults (millions)	% of Adult Population
Deposit Money Bank Accounts	25.4	30.0%
Microfinance Bank Accounts	3.2	3.8%
Stocks/Shares	3.1	3.7%
Fixed Deposit Accounts	1.4	1.6%
Mutual Funds	1.1	1.3%
Contributory Pensions	1.0	1.2%
Insurance	0.8	1.0%
Government Bonds	0.5	0.6%

Potential Access Points

■ < 5 mins
 ■ > 5 mins but < 15 mins
 ■ >15 mins but < 30 mins
 ■ Over 30 mins



56.4 million adults (66.6% of the adult population) have access to a mobile phone

Source: EFInA Access to Financial Services in Nigeria 2010 survey

- The EFInA Access to Financial Services in Nigeria 2010 survey revealed that:
 - That the top mechanisms for dealing with adverse experiences - are doing nothing and using one's savings
 - **42.8%** of the adult population have never heard of insurance
 - **21.3%** of the adult population have heard of insurance, but don't know what it means
 - Only **35.9%** of the adult population have heard of insurance and know what it means
- How can insurance companies serve the low income population with insurance products which are **relevant, appropriate and affordable** to meet their needs; through the most cost effective distribution channels?
- How can insurance providers ensure that the benefits of having insurance is widely communicated to the low income population?
- Microinsurance can help to minimise the impact of shocks on household incomes (especially for the low income population), when adverse experiences occur
- However, for the microinsurance market to flourish, significant customer education would have to be undertaken by both the regulator (NAICOM) and insurance companies

THANK YOU