

2022-09 | Scaling Upendo Life Cash Boost – the first fully digital life insurance product for low-income segments in Zambia

Financial Sector Partner (FSP):	Prudential Life Assurance Zambia	SCBF Contribution:	CHF 128'735 (57%)
Grantee:	Briisk Limited	Matching Contribution:	CHF 97'671 (43%)
Country:	Zambia	Theme:	Financial resilience
Duration:	August 2022 – July 2024	Product:	Life insurance
Potential Outreach:	706,029	Target Group:	Low-income clients
Thereof Women:	317,713 (45%)		

CONTEXT

Zambia has made significant progress in the overall financial inclusion, with 70% of the population having access to financial products, services or channels. However, financial inclusion in rural areas is regarded as low at 57%. Insurance penetration is extremely low and in the informal sectors of the economy, almost negligible. Zambia has made steps to provide an enabling environment via the formulation of the National Financial Inclusion Strategy 2017-2022 and the financial sector itself is making strides to drive inclusion, awareness and education, although challenging. The life insurance sector continues to face challenges in penetrating the informal sectors of the market. Therefore, introducing the Upendo Life Cash Boost can potentially cross a number of bridges through product design, digital delivery, agent awareness, payment mechanisms and low-cost, high-value products.

Upendo and Prudential Life Assurance and their Life Cash Boost product is a highly innovative, next-gen pre-paid life insurance product that is a) delivered digitally, b) has customer self- or agent driven on-boarding, c) has embedded product education, d) accepts cash (agents) or electronic (mobile money) payments, and e) allows for ease of entry or exit based on customer affordability and cash flow. The role of Prudential is to underwrite the product and to fulfil clients' needs in terms of an efficient claim fulfilment process (24 hours). This product and its insure-tech platform is looking to aggressively drive financial inclusion and to provide comfort if tragedy strikes to millions across Zambia in urban and rural areas equally and to target the informal market economy.

CURRENT STATUS OF THE FSP

Upendo Africa, in partnership with Prudential Life Assurance Zambia, is a fully integrated digital insure-tech company that operates and develops next generation life products for the affordable/informal markets. The company was built to target the most vulnerable and financially excluded people with products designed specifically for this segment. Upendo Africa is a self-funded start-up business that has been operating since mid-2018. In partnership with Prudential Zambia, Upendo has 15 branches across the country with a 24-hour call-centre. The SCBF grant-funding will help super-charge Upendo's ability to access a vast potential agent network in urban, peri-urban and rural areas to provide both digital distribution of our products as well as effect premium payments via cash or mobile money channels. This early-stage business has a huge potential to tap into a vast market segment that aims to make a meaningful difference to the lives of ordinary people.

OBJECTIVES AND MAIN ACTIVITIES

The overall objective of the intervention is to create an "army of agents", in excess of 10,000, that will be digitally on-boarded to provide a simple service to Upendo customers by digitally on-boarding them (where they do not have access to smartphones) and accepting premium payments to activate digital policies (where they don't have access to formal banking or mobile money services). Upon project completion, Upendo should be in a position to not only drive new product development, especially in micro-health and micro-savings, but to drive more than 700,000 policy sales across urban and rural areas across Zambia for a single product. The support from SCBF will also create room for Upendo to expand its product portfolio and technical capability, and to generate income to expand into global markets. The ultimate aim is to be the largest insurer in Zambia (and Africa) based on the number of policyholders.

Partnering with:

