

2023-10 | Leveraging digital platform to scale affordable life insurance and to launch health insurance for community-based groups, Ethiopia

Financial sector partner (FSP)	Jamii.one	SCBF contribution	CHF 149,601 (54%)
Grantee/TA provider	Consultants	Matching contribution	CHF 129,013 (46%)
Country	Ethiopia	Theme	Financial Resilience
Duration	Jun 2023 – Dec 2024	Product	Life and Health Insurance
Potential outreach	113,902	Target group	Low-income Clients
Thereof women	35%		

CONTEXT

With a high proportion of Ethiopia's 123 million population, particularly in rural and low-income areas, being underserved by traditional financial institutions, financial inclusion is a critical focus. Although Ethiopia has implemented policies like the Microfinance Business Proclamation and the National Financial Inclusion Strategy to stimulate microfinance growth and digital services, financial services penetration remains low. While government is taking definitive steps to reform regulations for the financial sector, lack of international financial actors as well as local financial regulations for the current actors, parred with a very high inflation is strongly limiting financial inclusion.

Ethiopia's traditional financial sector, comprising of commercial banks, microfinance institutions, insurance companies, and informal groups, faces challenges reaching wider audiences due to high costs stemming from manual operational costs, limited risk assessment data, and lack of digital infrastructure. These challenges mean that today, less than 1% of the population has access to affordable insurance, leaving them without a safety net and at risk for financial ruin. SCBF is enabling Jamii.one to scale its current rollout of its micro group life insurance product and to develop an innovative micro health insurance product. It will support Jamii.one in its journey to create financial protection for Ethiopian communities to reduce poverty and enhance financial stability by mitigating unexpected out-of-pocket expenses for families.

CURRENT STATUS OF THE FSP

Jamii.one is a digital platform with the goal of giving access to affordable insurance to everyone. The platform's user-friendly mobile app allows community-based groups (focusing on Iddirs which are burial groups) to digitalise group's registries, enhancing digital identity and creditworthiness, and opens the door to affordable insurance products. Currently, Jamii.one is scaling the micro group life insurance to Iddirs. As of business cycle status, Jamii.one has already established a solid userbase with over 500,000 users on its platform and over 60,000 of them having bought life insurance coverage. It operates under a B2B2C business model, charging its insurance partners a data fee for accessing customer data. The SCBF support will be instrumental because of the limited availability of private capital for companies focusing on financial inclusion in Ethiopia. The support will allow Jamii.one to extend its reach into less represented regions and making insurance more accessible to everyone.

OBJECTIVES AND MAIN ACTIVITIES

The overall goal of the SCBF intervention is to enhance Jamii.one's capacity to scale its existing micro group life insurance and to create a new, innovative micro group health insurance product. The project will unfold in several key steps: refining distribution models and training staff to optimise life insurance rollouts; designing and developing the innovative health insurance product with focus on gender inclusivity; preparing staff and materials for the new product launches; educating and onboarding end-users; and conducting thorough evaluation at project completion. Upon project completion, Jamii.one should be able to independently scale up the micro group life insurance and to start scaling the rollout of the micro group health insurance with an insurance partner, reaching more underserved regions, and sustaining its impact in improving financial inclusion and security in Ethiopia.

Partnering with:

