

MTN offers life insurance in Ghana

By [Ray Maota](#)

28 Mar 2011

MTN, Africa's most valuable brand, is making it easier for people in Ghana to buy life insurance by offering deals through mobile phones. The telecoms giant has partnered with Hollard Insurance and MFS Africa to bring low-income earners in Ghana a product called mi-life, a mobile money life insurance policy.



MFS Africa is a mobile financial services provider based in Mauritius and South Africa. The partnership is designed to substantially reduce the cost of insurance.

The service enables life insurance seekers to send a text message to a number on their mobile phones - this takes them to a menu of products on offer. Alternatively, the person can contact an MTN service centre to register for a policy that can be managed over the phone.

Ghanaians who buy mi-life life insurance for two people can have coverage from US\$765 (R5 293) up to \$3 062 (R21 188). Premiums are paid via MTN's mobile money service, which was launched in Ghana in 2009, or through agents at the networks' service centres. The mobile money service enables users, the majority of whom do not have bank accounts, to receive and send money from their phones.

The network has mobile money services in 11 countries around the world and about 4.3-million subscribers.

Jeremy Leach, head of micro-insurance for Hollard, said: "Until now, insurance hasn't really been made available or targeted at that low-income market. It allows us to reach our market in a fantastic way.

"Typically, insurance has been predicated around bank accounts, and in Ghana only 34% of people have a bank account."

Other kinds of mobile micro-insurance that will be explored by the network are policies to pay bills and school fees, in the case of a family losing a breadwinner.

Bruno Akpaka, GM for MTN's mobile money operations in Ghana, said: "It's not a generic life insurance where we're using

phones as a medium to connect to the cash, we're talking about very, very low premiums.

"Customers would be able to submit claims, queries and make premium payments using handsets. We are encouraging customers to go through agents because they also have an educating role."

Partnering to make insurance cheaper

MTN was recently named Africa's most valuable brand, said to be worth \$4.7-billion (R32-billion). This was revealed by Brandirectory, an online resource that tracks the performance of the world's top trademarks.

Its closest rivals were Vodacom, Orascom Telecom of Egypt, Standard Bank and First National Bank.

Established in 1994, the mobile network has cemented its presence in South Africa and another 20 countries in Africa, Asia and the Middle East.

Hollard Insurance is South Africa's largest privately owned insurance group and has been in existence since 1980. Over the years the group has given R50-million (\$7.2-million) to the Hollard Foundation, which is an independent trust that provides assistance for HIV/Aids orphans.

The insurance group also has educational programmes and rural and informal sector development programmes. It has renovated clinics in KwaZulu-Natal and has set up a craft markets for small-scale entrepreneurs.

For more, visit: <https://www.bizcommunity.com>