

SCALING UP POSTAL INCLUSIVE INSURANCE



Zooming in on
innovative postal
inclusive insurance
models and best
practices



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AUTHORS: Solenn Marquette (Project Lead and Expert), Chitraksh Sharma (Senior Consultant, Hystra), Simon Brossard (Project Director, Hystra), Olivier Kayser (Senior Advisor, Hystra)

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CONTACT: ihab.zaghloul@upu.int

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TABLE OF CONTENTS

Acronyms and initialisms	6
Figures and tables.....	7
Foreword.....	9
Acknowledgements	11
Executive summary	13
Context and objectives	16
Methodology.....	18
Case studies.....	22
SECTION 1: WHY LEVERAGE POSTAL NETWORKS FOR INCLUSIVE INSURANCE?	23
SECTION 2: BUSINESS AND PARTNERSHIP MODELS	29
SECTION 3: HOW POSTS AND INSURANCE COMPANIES CAN BUILD SUCCESSFUL OPERATIONS	34
SECTION 4: HOW GOVERNMENTS, INSURANCE REGULATORS AND FUNDERS CAN FOSTER POSTAL INCLUSIVE INSURANCE	48
DETAILED CASE STUDIES	53
Al Barid Bank and Barid Cash (Morocco).....	53
Tanzania Posts Corporation.....	62
India Post and India Post Payments Bank.....	68
Correios (Brazil)	77
Pos Indonesia	86
La Banque Postale (France).....	94
Appendix	104
Bibliography	105

Acronyms and initialisms

ACAPS	Supervisory Authority for Insurance and Social Security (Morocco)
API	application programming interface
BPJS-TK	government microinsurance scheme for independent workers (Indonesia)
CNRA	National Pension and Insurance Fund (Morocco)
CNSP	National Council of Private Insurance (Brazil)
CPC	central processing centre
GDP	gross domestic product
GDS	Gramin Dak Sevak (rural postal service employee in India)
HDFC	Housing Development Finance Corporation
IRDAI	Insurance Regulatory and Development Authority (India)
IPPB	India Post Payments Bank
LBP	La Banque Postale
NIC	National Insurance Corporation (United Rep. of Tanzania)
OJK	Financial Services Authority (Indonesia)
PLI	Postal Life Insurance (insurance product line in India)
RPLI	Rural Postal Life Insurance (insurance product line in India)
SLA	service level agreement
SUSEP	Office of the Superintendent for Private Insurance (Brazil)
TIRA	Tanzania Insurance Regulatory Authority
TPC	Tanzania Posts Corporation
UPU	Universal Postal Union

LIST OF FIGURES

Figure 1: Defining postal inclusive insurance	17
Figure 2: Hystra's research methodology	19
Figure 3: Case studies overview	22
Figure 4: Reach of postal networks	25
Figure 5: Revenue from postal inclusive insurance as a share of Posts' total revenue	26
Figure 6: Distribution of the four business and partnership models	31
Figure 7: Suitability of partnership models according to postal and insurance market maturity	32
Figure 8: Time taken by postal workers to subscribe a customer to a policy	35
Figure 9: Correios' inclusive insurance offering with lottery add-on	36
Figure 10: Correios clerk and clients in Brasilia and an India Post agent serving a customer	39
Figure 11: Number of inclusive insurance policies sold per week per outlet, in normal periods and during push campaigns	40
Figure 12: Al Barid Bank communication campaign on claims	41
Figure 13: Annual renewal rate of a single product in Morocco according to premium collection method (automatic vs cash)	46

LIST OF TABLES

Table 1: Relevance of this report based on types and needs of stakeholders	17
Table 2: Non-exhaustive list of initiatives identified	20
Table 3: Business model options – decisions to be made when implementing inclusive insurance	33
Table 4: Lessons to consider when designing, launching and scaling postal inclusive insurance operations	34
Table 5: Top-selling products according to case study	38
Table 6: Sales and marketing support from insurance partners	43

About UPU

Established in 1874, the Universal Postal Union (UPU), with its headquarters in the Swiss capital Berne, is the second oldest international organization worldwide.

With its 192 member countries, the UPU is the primary forum for cooperation between postal sector players. It helps to ensure a truly universal network of up-to-date products and services.

In this way, the organization fulfils an advisory, mediating and liaison role, and provides technical assistance where needed. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail, parcel and financial services volumes and improve quality of service for customers.

About AXA EssentiALL

AXA EssentiALL, originally established in 2016, operates as AXA's dedicated inclusive insurance business unit addressing the protection gap for lower-to-middle-income populations. Initially launched in emerging markets, this profitable social enterprise has expanded its operations to European markets since 2023. Its objective is to provide essential insurance coverage and better protect those individuals and small companies who are "too rich to be poor, too poor to be rich", and therefore, more often than not, fall between the cracks.

AXA EssentiALL is a key building block of AXA's 2024-2026 strategic plan and serves over 17 million customers across 13 emerging and 8 European countries, offering attractive, accessible, and affordable insurance solutions

About Hystra

Hystra is a global impact consulting firm that works with business and social sector pioneers to design and implement inclusive business approaches that are profitable, scalable and eradicate social and environmental problems. We support corporates, social enterprises, donors and impact investors all along their inclusive business journey. Since its creation in 2009, Hystra has published open-source studies on access to clean energy, safe water, decent sanitation, affordable housing, nutritious foods, resilient agriculture, affordable healthcare and last-mile distribution. The insights provided by these studies have paved the way for multi-stakeholder partnerships, impact investment vehicles, inclusive businesses, impact accelerators and country programmes, which we have co-designed and co-implemented. For more information, visit www.hystra.com.

FOREWORD

Financial inclusion is not an option – it is a right. Yet, 1.4 billion people globally remain excluded from the financial system,¹ with women, young people, micro, small and medium enterprises, and smallholder farmers disproportionately represented among underserved groups. Providing postal digital payments, digital savings, access to credit, and, in particular, inclusive insurance, can help to build partnerships and bridge this gap.

The Universal Postal Union (UPU) and AXA share the conviction that inclusive insurance is an essential pillar of financial inclusion. That is why we decided to thoroughly research and examine the insurance needs of postal customers and to develop and deploy suitable inclusive insurance models to support vulnerable groups,² in collaboration with other insurance providers and potential financial inclusion actors.

Vulnerability is not a situation, but a risk. For low- to middle-income households across both the emerging and developed worlds, an accident, a fire or the loss of a breadwinner can have a significant socio-economic impact. Reducing this vulnerability calls for insurance products that are affordable (competitive and fairly priced thanks to innovation), attractive (relevant to people’s daily risk landscape) and accessible (through far-reaching distribution networks).

Insurance is a promise – a service that you purchase today so that it will protect you tomorrow. Without trust, people are unlikely to take out insurance and are therefore unable to build a more secure economic future for themselves and their children. This is where Posts can make a difference. Posts are well positioned to support underserved communities because of their extensive reach, their understanding of local customer needs, and the trust that they have established with their very wide customer base. Indeed, 1.5 billion postal customers already access financial services through their local Posts.

Insights and learnings from the postal inclusive insurance study form the basis of the UPU-AXA collaboration to shape postal insurance products and solutions. The study compiles the learnings of six pioneering Posts from across the globe that have already begun their inclusive insurance journey. It provides compelling business cases for Posts to embed inclusive insurance products in their own strategies, and outlines the potential social impacts of offering those products.

The UPU and AXA are committed to helping postal operators around the world to launch, expand and diversify their inclusive insurance offerings.

However, achieving this vision depends on close and effective collaboration with multiple public and private partners. We stand ready to work with all actors from the postal and insurance sectors that have an interest in advancing global inclusive insurance and financial inclusion, and attaining the UN Sustainable Development Goals. Together, we can broaden access to social protection and create lasting, positive impacts on livelihoods globally. We thank you for reading this report and for your interest in inclusive insurance as a key pillar of inclusive finance.

Thomas Buberl,
CEO of AXA

Masahiko Metoki,
Director General of the
UPU International Bureau

Please direct all questions and inquiries to PITAF@upu.int

¹ Global Findex Database 2021, World Bank Group, available at www.worldbank.org/en/publication/globalfindex

² Vulnerable populations are groups of individuals who are more likely to suffer harm due to various factors, such as age, health status, mental or physical disability, or economic status. Vulnerability can be structural (linked to long-term personal circumstances) or cyclical (resulting from life events). It also encompasses those who are excluded from essential services, such as insurance, due to physical, psychological, financial or social barriers.



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BRAZIL

Correios: Fabiano Silva dos Santos, Fernanda Freire, João Carlos, Janete Ribas, Luis Fernando, Luciana Klein, Luzineth Muniz Mesquita, Manuela Cortez, Sandro Almeida, Sue-Ann Santos Fernandes, Vantuyl Barbosa Junior

CNP Seguradora: François Tritz, Evandro Goncalves, Marcelo Mascaretti

Office of the Superintendent for Private Insurance: Jessica Anne de Almeida

FRANCE

Groupe La Poste: Jean-Paul Forceville, Dominique Pon, Elisabeth Massonnet, Bernard Morel

La Banque Postale: Alexandre Gollot, Florence Benistan, François Even, Jeremy Smail, Philippe Bajou, Joyce Brindou, Mimouna Boutchich, Vanessa Ly

CNP Assurances: Adrien Perrin, Agnès Paquin, Agathe Sanson, Eric Bramoullé, Frédéric Biondi, Jean-Christophe Hamery, Layla Naciri, Leila Alassane, Nicolas Rosat, Sabine Parnigi Azoulay, Vincent Damas

INDIA

India Post: Abhay Singh, Arvind Varma, Jitendra Gupta, Pranav Kumar, Prannoy Sharma, Ram Narersh, Mrinalini Srivastava, Shri Jitendra Gupta

India Post Payments Bank: Gursharan Rai Bansal, Dr. Kuldeep Kamboj, Vinay Sharma

Aditya Birla Health Insurance: Sonal Duggal

Niva Bupa: Payal Batra

Bajaj Allianz: Nikita Kumar

INDONESIA

Pos Indonesia: Daniel Robert, Endarti Halim, Fitriadi, Hendri Lasmana, Imam Fahrudi, Mario Arnoldi, Triyanta, Zuhed Nur

Sunday Insurance: Eva Pujiati, Henry Purnama, Monika Soekaton, Vinia Erwin

Financial Services Authority of Indonesia: Adrian Siregar, Muhamad Anugrah

MOROCCO

Al Barid Bank: Al-Amine Nejjar, M'hamed El Moussaoui, Zakia Hazzaz, Anouar Mabdou, Az-Alarab Jaoui, Bahia Bennis, Imane Aoussar, Mouna Karbouri, Samir Rachidi

Barid Cash: Adil Chraibi, Brahim Bouaz, Kabbaj Jihane

Wafa Assurance: Yousef Atmani

UNITED REP. OF TANZANIA

Tanzania Posts Corporation: Allen Maro, Constantine Kasese, Elia Madulesi, Moses Nkya

National Insurance Corporation: Abdulkarim T. Kisuguru, Beatrice Nagunwa

Jubilee Allianz: Raymond Seleman

Tanzania Insurance Regulatory Authority: Dr Baghayo A. Saqware

Tanzania Insurance Brokers Association: Okoth Oloo, Sophia N. Chande

GLOBAL EXPERTS

Vance Abissa, Gideon Atarairé, Nils Clotteau, François-Xavier Hay, Anaar Kara, Thilanka Kiriporuwa, François Laborde, Lemmy Manje, Marc Nabeth, Bert Opdebeeck, Christian Sinobas, Mathilda Ström, Mallika Uswachoke, Sarah Vignoles, Lina Vongsa-ath

SPONSORS

Universal Postal Union: Siva Somasundram, Ihab Zaghoul, Sergey Dukelskiy

AXA EssentiALL: Garance Wattez-Richard, Quentin Gisserot, Aicha Hassouna, Marjolaine Chaintreau, Michal Matul, El Mekki Kabbaj, Ibtissam Benibrahim

EXECUTIVE SUMMARY

Context

There is a major insurance gap for low- to middle-income segments globally, with over four billion people lacking adequate coverage. In an increasingly unstable and unpredictable world, individuals and communities without formal insurance – whether for life, accidents, healthcare, agricultural yields, property or credit risks – could suddenly fall into poverty after a major adverse event.

Postal networks possess unique assets that can contribute to expanding inclusive insurance. With diverse infrastructure, from physical branches to mobile units, and trusted agents providing doorstep services, Posts are well- positioned to reach underserved populations, including in rural areas. Their trustworthiness at the community level gives them an ideal platform from which to promote inclusive insurance to uninsured individuals.

However, while close to a third of Posts globally offer insurance services, these services remain underdeveloped.³ Financial services account for 19% of postal revenue on average, but inclusive insurance represents only a tiny proportion of this and fails to scale. At the global level, postal networks are an underutilized channel for providing inclusive insurance.

Postal networks possess unique assets that can contribute to expanding inclusive insurance. With diverse infrastructure, from physical branches to mobile units, and trusted agents providing doorstep services, Posts are well- positioned to reach underserved populations, including in rural areas. Their trustworthiness at the community level gives them an ideal platform from which to promote inclusive insurance to uninsured individuals.

Methodology

This report aims to capture key lessons from pioneering postal inclusive insurance initiatives. It documents best practices and identifies opportunities for, and persisting barriers to, acceleration. We identified 26 postal players worldwide that have launched inclusive insurance solutions, either as distributors partnering with one or more insurance companies, or as insurers themselves. These initiatives vary in terms of the sustainability and scale achieved, but several show promising progress and results.

We conducted detailed case studies on eight postal and postal bank initiatives across six countries: Brazil, France, India, Indonesia, Morocco and Tanzania. The studies included field work and over 150 interviews with postal management, insurance partners, regulators, government representatives, front-line postal staff and customers. While we do not claim these cases represent the “best” globally, they illustrate effective strategies for scaling postal inclusive insurance in a range of countries, contexts and solutions.

The case for postal inclusive insurance

Posts can make a significant contribution to the development of inclusive insurance. While financial inclusion has historically focused on payments, credit and sometimes savings, governments are increasingly recognizing the importance of inclusive insurance. Distributing insurance products at scale and reaching underserved populations aligns closely with Posts’ public service mission, as consistently emphasized by the postal teams interviewed.

Postal inclusive insurance has the potential to become a significant revenue driver for Posts, alongside other financial services. In four of the eight initiatives featured in this report, inclusive insurance contributes substantially to total postal revenue. In all four cases – three of which concern projects led by postal banks – inclusive insurance includes, but is not limited to, microinsurance serving the most vulnerable. While revenue remains modest in the other cases, this could change, as these initiatives are still in the early stages of scaling.

Raising public awareness of insurance creates long-term opportunities for revenue generation. Postal inclusive insurance is for many clients their first exposure to insurance of any kind and plays a crucial role in building awareness and driving future market demand, as recognized by both Posts and their partners.

Providing inclusive insurance enables Posts to develop new technical and human capabilities. Insurance partners are instrumental in this process, offering expertise and support for technology integration, staff training, sales, marketing and other operational areas.

³ Source: UPU, Global Panorama on Postal Financial Inclusion, 2023 (62 Posts report offering insurance)

Partnership models

Four partnership models have emerged between Posts or postal banks and insurance providers. The relevance of these models depends on the assets and capabilities of the postal network in question and on the maturity of the local market and regulatory environment.

	EXCLUSIVE PARTNERSHIP	NON-EXCLUSIVE PARTNERSHIP	BUILD/ACQUIRE AN INSURANCE COMPANY	SANDBOX
DESCRIPTION	Partnership with a single insurance company, typically after tender, granting exclusive access to the postal network for several years, in exchange for an up-front payment and/or revenue share	Partnerships with multiple insurance companies. Partners can access the postal network, apps and payment platforms to sell products, collect premiums and manage or pay claims, in exchange for a revenue share	Posts with substantial financial capabilities may choose to build or acquire an insurance company, allowing them to offer proprietary products and increase their financial stake in insurance distribution	Experimental model for Posts to test inclusive insurance before committing to a full-scale roll-out. Posts may partner with one or more insurers to explore different business model variations and find the right product-market fit
GUIDANCE	Exclusivity enables Posts to better monetize their assets and ensure commitment from partners. This model is particularly relevant for Posts that are aiming to build their inclusive insurance capabilities	Non-exclusive relationships can create healthy competition between partners. This model is relevant for postal banks and situations where a single insurance partner cannot offer all targeted product categories or cover all regions of a large territory	This model requires significant capital investment, strong leadership and government support. It is most relevant for Posts or postal banks that are advanced in their insurance journey, particularly in large or mature markets	A trial period can provide the necessary leeway to assess customer needs, train postal staff, understand operational processes and requirements and evaluate insurers' willingness to offer support. This model is most relevant as a starting point and in less mature markets

Operational lessons

DESIGN		LAUNCH		SCALE	
PRODUCT PORTFOLIO	TRAINING AND CAPACITY BUILDING	SALES AND MARKETING	TECHNICAL INTEGRATION	PARTNERSHIP AND GOVERNANCE	GROWING REVENUE AND IMPACT
<p>Straightforward products and claims processes can make postal inclusive insurance products easy to sell</p> <p>There is no one-size-fits-all product for every country</p> <p>Without corrective measures, a single top-selling product will dominate the market</p>	<p>Postmen, postal clerks and postal bankers can sell and service inclusive insurance policies</p>	<p>Postal staff have conflicting priorities: strong sales require a strong push</p> <p>Assisting customers with claims and promptly paying those claims is critical, and is also a powerful marketing tool</p>	<p>User-unfriendly IT systems hamper sales: postmen need a super app</p>	<p>Support from insurance partners is a key success factor and should be combined with co-investment from Posts</p> <p>Successful partnerships start with strong commitment and require continuous alignment at the leadership and operational levels</p>	<p>Automatically debiting premiums, whether from postal or third-party accounts, is vital for collections and renewals</p> <p>Best practitioners embed inclusivity in all areas of their insurance portfolio</p>

How to foster postal inclusive insurance

	RECOMMENDATION	PRACTICAL CONSIDERATIONS
GOVERNMENTS	Framing inclusive insurance as one pillar of national financial inclusion strategies	Governments can directly mandate Posts to achieve financial inclusion targets. For example, in Morocco, Al Barid Bank distributed inclusive insurance at scale in line with a government mandate. Governments can also provide financial compensation to Posts for serving the most vulnerable populations, as is the case in France.
	Partnering with Posts to distribute government insurance and social benefits	In Indonesia, the government partners with the Post to distribute public social benefits, such as microinsurance for independent workers. In India, IPPB distributes a public insurance scheme established by the Ministry of Labour and Employment.
	Distributing insurance to public employees through Posts	India Post initially distributed life insurance products exclusively to postal staff, then extended its offering to other public employees and eventually to the general public.
	Financing and co-organizing insurance awareness and financial literacy campaigns with Posts	Governments can co-invest in financial literacy as a public good. Campaigns can take various forms, from above-the-line media (TV or radio) to supporting Posts in local awareness-raising efforts (as is the case in Indonesia). The direct involvement of public figures can also help to drive audience engagement.
	Promoting the development of a financial services culture	In Morocco, Al Barid Bank's status as a state-owned limited company, and its recruitment of former leaders of private banks and insurance companies, has enabled it to build a strong financial services culture.
INSURANCE REGULATORS	Introducing dedicated regulations for inclusive insurance	Specific regulations for inclusive insurance can facilitate and accelerate the development of microinsurance offerings. Most countries in our sample have introduced such regulations in the past 15 years.
	Launching regulatory sandboxes for testing innovative models	Several regulators, for example in Brazil and Indonesia, have introduced regulatory sandboxes to foster innovation and support the testing of inclusive insurance products, while also providing financial and technical support.
	Affording Posts the flexibility to choose the most appropriate licence	Posts might need flexibility to select the most appropriate licence for distributing inclusive insurance, depending on their chosen model, which may or may not involve an exclusive partnership with an insurance company.
	Fostering claims declarations and payments	Inclusive insurance only makes an impact when claims are paid. Regulators could make additional reporting mandatory and ask insurance companies to cross-reference databases to identify unpaid claims.
PRIVATE AND PUBLIC FUNDERS	Funding technical assistance for postal operators to build inclusive insurance operations	When interviewed, postal operators indicated that they would appreciate guidance in choosing the right partnership model and building at-scale inclusive insurance operations. A technical assistance facility could create synergies by pooling resources and knowledge across multiple countries.
	Supporting advocacy and peer-to-peer exchanges on postal inclusive insurance	Advocacy requires policy papers, dissemination efforts, conferences and peer-to-peer exchanges across the entire ecosystem, for which private or philanthropic funding would be a critical enabler.
	De-risking the launch of postal inclusive insurance through catalytic funding	Even with technical assistance, setting up operations could be viewed as too risky or costly for Posts that lack insurance experience. Direct funding to support operations during the experimentation stage could encourage more Posts to venture into inclusive insurance.

CONTEXT AND OBJECTIVES

There is a major insurance and coverage gap at the global level, which creates high vulnerability for underserved individuals and communities. According to a recent report from the Microinsurance Network⁴, only 12% of the target population in emerging markets is covered by an insurance product. In an increasingly unstable and unpredictable world, a lack of coverage – whether for death, accidents, healthcare, agricultural yields, property or credit risk – contributes to the high vulnerability of underserved individuals and communities, and is a missed opportunity to make a social impact.

The challenges contributing to the low market penetration of insurance are multiple and well documented. They include low demand due to a lack of awareness and understanding of the benefits of insurance (individuals with limited budgets understandably do not prioritize paying for an uncertain benefit or risk coverage for the future); lack of appropriate and cost-efficient sales channels; difficulties in effectively collecting premiums; and high transaction costs in estimating and paying out claims. These challenges vary depending on the insurance product and model (voluntary vs mandatory, business-to-business vs business-to-consumer, etc.).

The postal industry is undergoing a significant transformation. Against the backdrop of increased digitalization and e-commerce, and, frequently, challenges in maintaining financial sustainability, Posts need to broaden their scope to include not only mail services, but also comprehensive logistics solutions and diversified service offerings⁵. Posts have unique assets for distributing inclusive insurance: an extensive physical network, trust and recognition, and an inclusion mandate. While close to a third of all Posts globally offer insurance, these offerings are often underdeveloped, especially in emerging markets. Indeed, Posts remain a marginal channel for the provision of inclusive insurance at the global level⁶.

WHAT IS POSTAL INCLUSIVE INSURANCE?

Throughout this report, we define postal inclusive insurance as protection solutions designed and distributed by Posts to cover their customers, with a particular focus on low- to middle-income segments.

These solutions prioritize the principles of affordability, accessibility and relevance to cater to the specific needs of their target customers, who are often uninsured or under-insured. Postal inclusive insurance strengthens social protection, builds resilience and promotes digitalization and economic empowerment, thereby contributing to the attainment of national financial inclusion objectives and the Sustainable Development Goals.

Postal inclusive insurance is a broad spectrum that includes what is sometimes referred to in regulations as microinsurance, or inclusive insurance that targets the most vulnerable groups (with premium or coverage caps), but also more traditional insurance products that have been redesigned to serve more vulnerable groups (e.g. below-market premiums, lower franchises, reduced exclusion, “beyond fair” claims payments, more readable documents, etc.).

Encouragingly, a number of pioneering Posts have already launched inclusive insurance, either as distributors on behalf of one or more insurance companies, or as insurers themselves. The sustainability and scale of these products varies, with some showing positive development.

This report aims to gather lessons from some of the most promising postal inclusive insurance initiatives to identify best practices and barriers to scaling. The report is aimed at all stakeholders that can work together to help unlock the sector. The table below summarizes which sections of the report are most relevant to which stakeholder.

4 Microinsurance Network, ‘The Landscape of Microinsurance’, 2023

5 UPU, ‘State of the Postal Sector’, 2023

6 UPU/ILO, ‘Advancing financial inclusion through access to insurance: the role of postal networks’, 2016

Figure 1: Defining postal inclusive insurance

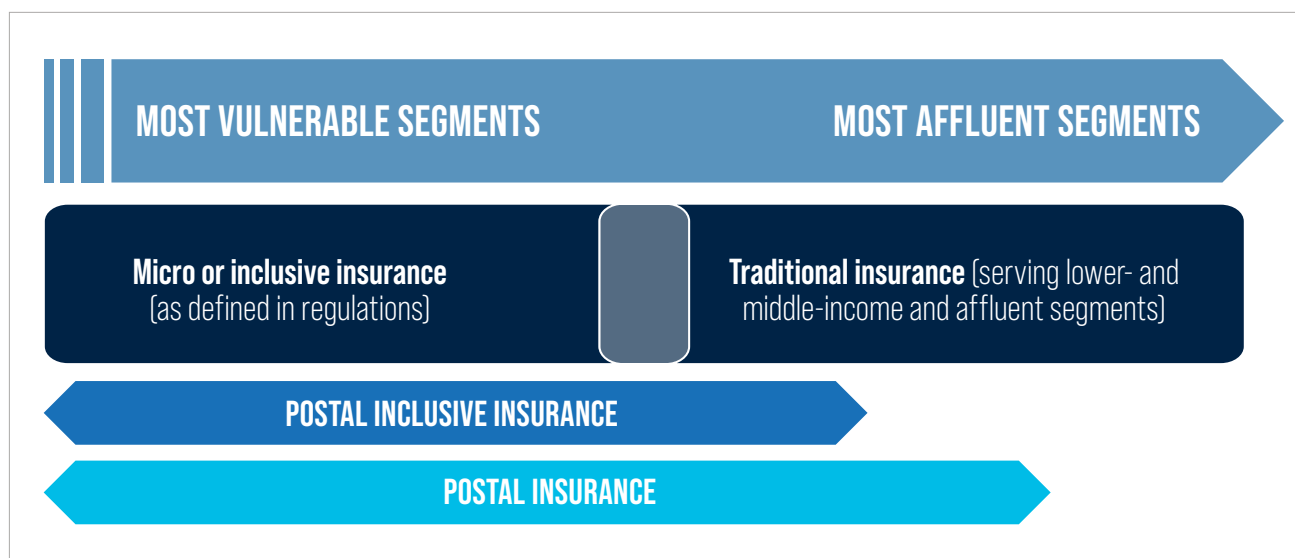


Table 1: Relevance of this report based on types and needs of stakeholders

YOU ARE...	DESCRIPTION	GUIDANCE
A postal organization	Revenue diversification Financial inclusion opportunities	Rationale for Posts to engage in inclusive insurance (section 1) Guidance on which model is most relevant depending on your context (section 2) Lessons learned from other practitioners on operational best practices and challenges (section 3) Detailed case studies (Appendix)
An insurance provider	Relevant distribution partners Opportunities related to environmental, social and governance or corporate social responsibility models	Rationale for insurance providers to work with Posts (section 1) Lessons learned from other practitioners on operational best practices and challenges (section 3) Detailed case studies (Appendix)
An insurance regulator	Stronger and more inclusive insurance policies	Lessons learned from other countries and suggestions from practitioners (section 4)
A government	Relevant strategies for engaging Posts	Rationale for Posts to engage in inclusive insurance (section 1) Lessons learned from other countries and suggestions from practitioners (section 4)
A public or private donor	Funding opportunities with high social impact	Recommendations from practitioners for promoting postal inclusive insurance (section 4)

METHODOLOGY

The methodology on which this report is based has been developed and refined by Hystra in the course of previous studies and publications. It is grounded in the belief that analyzing successes offers greater insights than focusing solely on problems. The findings are based on an in-depth review of the pioneering models developed by six Posts. While these findings may not be universally applicable, they will hopefully inspire and encourage stakeholders in the ecosystem to further advance postal inclusive insurance.

Our methodological approach can be broken down into the four broad steps outlined below.

1 Global scan of postal inclusive insurance initiatives: Through interviews with more than 20 industry experts and practitioners, we identified 26 Posts distributing inclusive insurance globally. Based on desk research, we profiled these Posts according to criteria such as product offerings, business models, scale, regulatory licence, and whether they targeted vulnerable populations.

2 Deep dive into eight initiatives: From the initial global scan, eight initiatives from six countries were selected. For each initiative, we conducted an in-depth analysis, typically during a three-day visit, encompassing:

- a interviews with the Post's management (e.g. president/chair, chief executive officer and heads of insurance, finance, marketing, back-office operations and partnerships);

- b interviews with commercial partners, most often including one or more insurance companies;
- c interviews with representatives of the insurance regulator, government and other relevant stakeholders (e.g. insurance broker associations);
- d field visits to postal outlets and interviews with branch managers, sales staff and customers.

3 Segmentation into relevant partnership models: The initiatives were categorized into four overarching partnership models, which are relevant to specific contexts depending on the local insurance market and the Post's assets and capabilities.

4 Synthesis across initiatives: Research findings were compared across models to extract best practices, understand obstacles to scaling, and identify opportunities.

Figure 2: Hystra’s research methodology

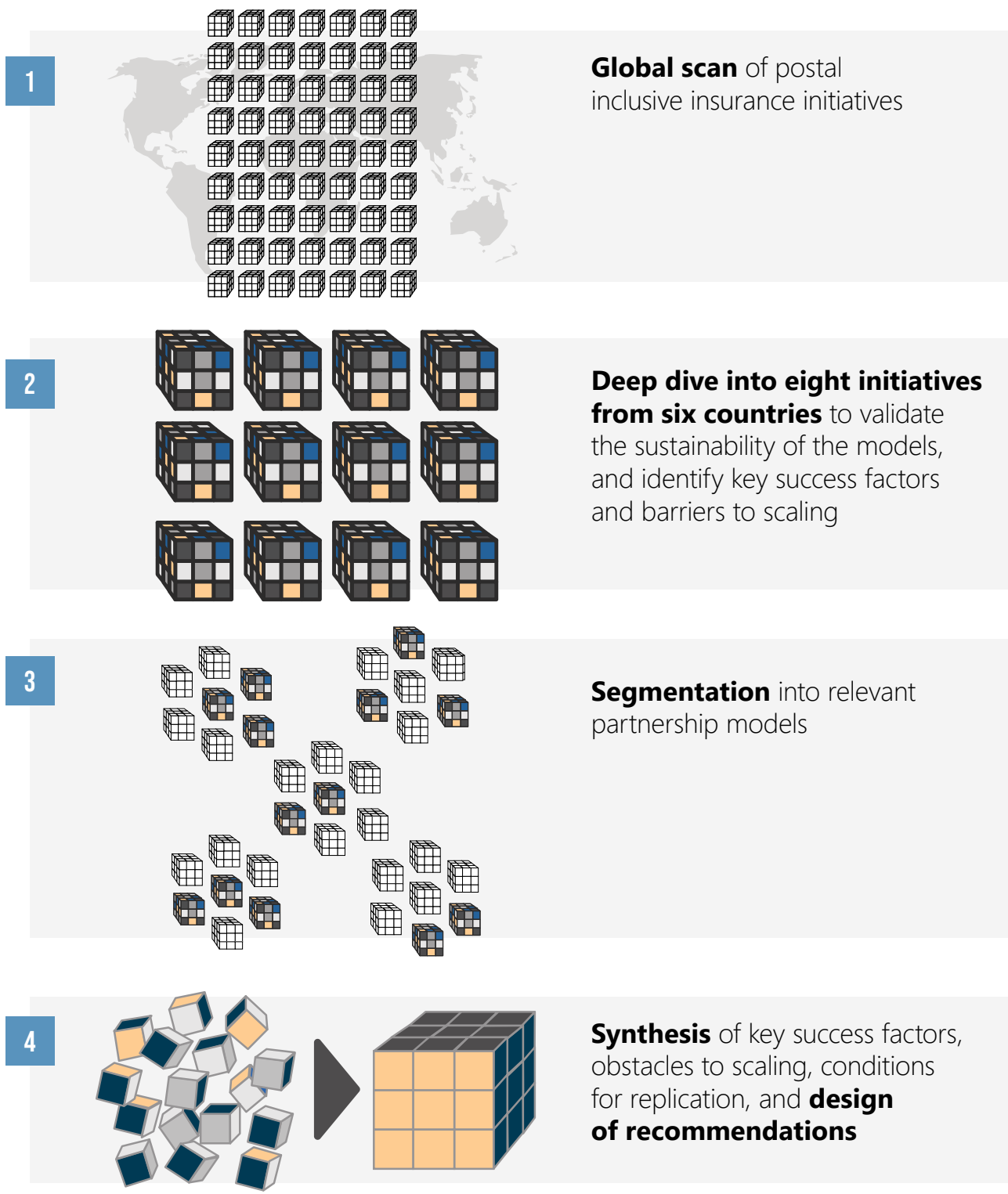


Table 2: **Non-exhaustive list of initiatives identified**⁷

COUNTRY	HIGH-LEVEL DESCRIPTION
Azerbaijan	The Post is partnering with multiple insurance companies, including Ateshgah and AtaSiğorta, to distribute non-life insurance products, e.g. car insurance.
Belarus	The Post offers compulsory third-party liability insurance on behalf of six insurance companies, and voluntary home insurance on behalf of Belgosstrakh insurance company.
Brazil	The Post has an exclusive partnership with CNP Seguradora to distribute a wide range of non-life microinsurance products and a term life microinsurance product.
Burkina Faso	The Post is working with multiple insurance partners and also owns 51% of the recently established postal bank, which offers credit insurance.
Cambodia	The Post recently signed a five-year contract with AIA Cambodia to distribute death and total permanent disability insurance.
Colombia	The Post is working with multiple insurance partners to distribute non-life insurance products, including car or motorcycle insurance.
Egypt	The investment arm of Egypt Post announced a joint venture with AXA in 2024. The Post had historically distributed non-life products in partnership with Misr Insurance.
France	La Banque Postale (LBP), a subsidiary of La Poste, fully acquired CNP Assurances in 2020 and offers a comprehensive range of life and non-life products, with an inclusion dimension.
Ghana	The Post partnered with Allianz to offer life insurance, and with other insurance companies to offer microinsurance products to small enterprises.
India	The Post sells its own life insurance products, while the postal payments bank IPPB partners with multiple non-life and life insurance companies.
Indonesia	The Post works with multiple partners, including Heksa Insurance, Sunday Insurance and the government's microinsurance scheme for independent workers (BPJS-TK) to distribute various products.
Ireland	The Post works with multiple insurance partners, including AXA, Aviva, AIG, Allianz and others, to distribute both life and non-life insurance products.
Italy	The Post has set up its own insurance companies, Poste Vita and Poste Assicura, to sell life and non-life products, respectively.
Côte d'Ivoire	The Post works with multiple insurance partners, including Sonam Assurances, Wafa Assurance and the Caisse Nationale d'Assurance Maladie (National Health Insurance Fund).
Kenya	The Post works with multiple insurance partners, including Genius Health, Afya Kamili, Citadel and Pioneer Insurance, to sell non-life insurance products.

⁷ Source: desk research (see references in bibliography)

COUNTRY	HIGH-LEVEL DESCRIPTION
Morocco	The postal bank (Al Barid Bank) has an exclusive partnership with Wafa Assurance to offer a broad range of insurance products. In addition, Barid Cash, a payment institution owned by Al Barid Bank, works with partners to provide life and non-life inclusive insurance.
Namibia	The Post has its own savings bank, which has entered into a joint venture with Hollard Insurance. Customers with a Visa smartcard can purchase funeral and life insurance.
Philippines	The Post partners with UBX, an open finance platform provider, to offer digital financial services, including insurance products (e.g. personal accident insurance).
Rwanda	The Post uses a payment app called Mobicash to collect premiums for a community-based health insurance scheme run by the Rwanda Social Security Board.
South Africa	The postal bank partners with Safrican Insurance to distribute insurance products, including death and funeral cover, to the unbanked.
Sri Lanka	The Post works with multiple insurance companies (including Ceylinco, Softlogic and Amana Takaful) to offer life and vehicle insurance products.
United Rep. of Tanzania	The Post works with multiple partners, including National Insurance Corporation, Assemble and Jubilee Allianz, to offer non-life products.
Thailand	The Post partners with several insurance companies to provide both life and non-life insurance, including personal accident and health cover. Its partners include Thai Life, Bangkok Insurance, FWD Life, Viriyah, Sin Mankhong, Muang Thai and others.
Vietnam	The Post entered into an exclusive partnership with Dai-ichi Life Vietnam to offer life insurance products. It also partners with PTI to offer non-life products.
Zambia	The Post works with multiple insurance companies to provide life and vehicle insurance. Its partners include Professional Life (Prudential UK), Innovate General, Zambia State Insurance Corporation and Diamond Insurance Company.
Zimbabwe	The Post partners with NICOZ Diamond Insurance to distribute car and motorcycle insurance.

Disclaimers

Most conclusions were drawn from a limited set of eight initiatives. To illustrate common features among best practices, some nuances had to be overlooked. It is possible that not all lessons summarized here are relevant for all products and regions. For example, the research team did not systematically map regulatory environments other than those of the six countries analyzed. Moreover, a number of cross-cutting lessons were drawn from feedback provided by industry experts.

The authors in no way claim that the case studies featured in this report concern the best initiatives globally. However, the studies are representative of successful approaches to postal inclusive insurance, scaled up in different countries through a range of

different solutions. The case studies were selected not only to provide valuable insights, but also to cover a diverse range of initiatives, both geographically and in terms of insurance market maturity. Comparing the performance and approach of these initiatives and drawing lessons from their successes and challenges provided a great deal of insight into what works, and why.

This report is not a formal impact evaluation. However, it pays close attention to the social impact of inclusive insurance, and how postal organizations and their partners provide appropriate services for their clients. As the research team did not conduct any new independent surveys, the report references pre-existing evaluations and information.

CASE STUDIES

This report documents **eight pioneering postal inclusive insurance models across six countries.** In India, both India Post and the IPPB distribute inclusive insurance under different models, and in Morocco, Barid Cash, the payment solution launched by the postal bank Al Barid Bank, also sells inclusive insurance. These cases were documented separately.

Figure 3: Case studies overview



Inclusive insurance products

Life ● Term life ● Endowment

Non-life ● Health ● Personal accident ● Funeral ● Car/motorcycle ● Travel ● Other

Note: None of the models studied commercializes agricultural products

SECTION 1

WHY LEVERAGE POSTAL NETWORKS FOR INCLUSIVE INSURANCE?

LACK OF INSURANCE COVERAGE IS A SIGNIFICANT ISSUE GLOBALLY FOR LOW- TO MIDDLE-INCOME POPULATION SEGMENTS IN BOTH EMERGING AND DEVELOPED MARKETS.

A study published in 2023 by the Microinsurance Network, covering 36 emerging markets, shows that 88.5% of low-income people lack any form of insurance⁸, despite being above the extreme poverty line. These low-income families typically have enough to eat but remain highly vulnerable financially.

Lack of coverage is also a reality in Western economies. An estimated 25% of the population in European markets is either uninsured or poorly insured.⁹ The protection gap – defined as the difference between insured and uninsured loss of life and property – has been valued by the Swiss Re Institute at 1.42 trillion USD globally, representing the economic cost of health care, premature deaths and climate disasters.

Financially vulnerable populations are more exposed to both life and non-life risks, and the impact of these risks, when realized, is greater on the livelihoods and financial stability of vulnerable populations than it is on those of higher-income populations.

The protection needs of vulnerable populations are largely universal, although the criticality of the various risks concerned varies depending on market conditions, existing insurance offerings, and local or regional risk factors.

Health insurance

Health risks are a critical concern, particularly in countries with limited or non-existent public social security systems. Only 2.5% of the low-income populations studied for the 2023 Microinsurance Network Landscape Report had access to health insurance.

⁸ Microinsurance Network, *The Landscape of Microinsurance* (2023)

⁹ See AXA EssentiALL: *Inclusive insurance*.



Life Insurance

Life insurance is vital for low-income households, which often lack savings or formal retirement plans. While informal, community-based solidarity mechanisms sometimes exist, the death of a primary earner can plunge a family into extreme poverty. Moreover, term life insurance is often a prerequisite for microcredit. Life insurance products, particularly mixed insurance policies that address both survival and mortality risks¹⁰, can provide essential long-term financial security and are often easier for customers to understand, as they offer benefits in both scenarios.

Property and business insurance

Protecting households and small businesses against risks like fire, flooding and climate-related disasters is equally critical. However, even mandatory insurance products, such as home and motor insurance, are often unaffordable or inaccessible.

Climate risk insurance

Climate risks exacerbate vulnerabilities, with Munich Re reporting that the natural catastrophe protection gap is nearly 100% in low- and lower-middle income countries.¹¹ This gap disproportionately affects rural areas, where 70% of the poor depend on agriculture for their livelihoods.



INNOVATIVE MODELS AND PARTNERSHIPS ARE NEEDED TO BRIDGE THIS CRITICAL PROTECTION GAP FOR BILLIONS OF UNINSURED OR UNDERINSURED PEOPLE.

To address these challenges, inclusive insurance solutions must be accessible, affordable and attractive.¹² In other words, they must leverage

innovative and dedicated distribution channels, focus on essential coverage and rely on simple, transparent and efficient processes. This calls for the development of tailored products, inclusive distribution methods and adapted processes for subscriptions, claims and premium payments. Depending on the maturity of the insurance market, the existence of public protection schemes and the most significant risk factors in the region concerned, certain types of insurance may be critical in addressing the needs of vulnerable populations.

People who have limited awareness of, and trust in, insurance require guidance and reassurance,

which depends on education and clear, transparent communication, notably on expected benefits throughout the insurance life cycle, from subscription to claim settlement. While digital distribution and payment tools can broaden access to insurance in underserved areas, emerging customers might need support to improve their digital literacy.

A tailored approach may be required for certain customer segments owing to their specific needs, lack of insurance coverage, or contribution to their community's economy. These groups, often identified as priority segments by regulators and non-governmental organizations, include unemployed individuals, youth (individuals under 25), seniors (individuals over 65), women, low-income households, informal sector workers, rural populations (particularly farmers), micro enterprises, and persons with disabilities or under legal protection.

¹⁰ Mixed insurance refers to insurance offerings that comprise both an insurance and a savings element. Mixed life insurance covers both survival and mortality risks.

¹¹ See [Understanding and Addressing Global Insurance Protection Gaps \(2018\)](#).

¹² AXA EssentiALL inclusive insurance places an emphasis on these three elements. See [AXA EssentiALL: Inclusive insurance](#).

POSTS CAN EXPLOIT THEIR UNIQUE ASSETS, NOTABLY THEIR REACH, WHICH EXTENDS TO RURAL AND UNDERSERVED COMMUNITIES, AND THEIR TRUSTWORTHINESS, TO IMPROVE INCLUSIVE INSURANCE COVERAGE

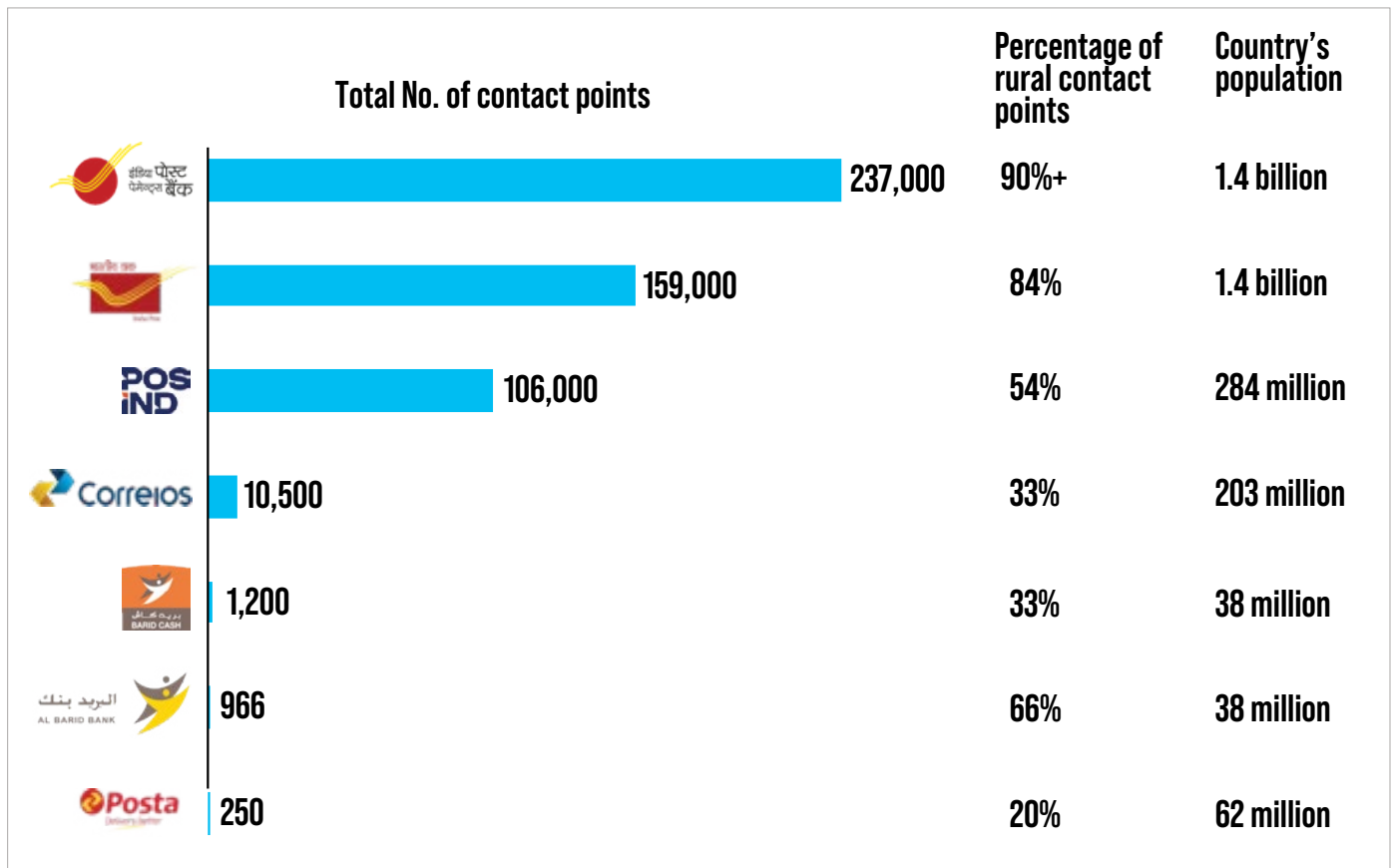
In rural and underserved areas of emerging markets, Posts are often the largest infrastructure owner. Insurers highly value Posts' extensive networks and are willing to offer attractive sales commission and even lump-sum payments to access them. In Brazil, CNP Seguradora won a tender to distribute its products through Correios' network, which covers all 5,700 municipalities in the country, for an initial sum of 28 million USD plus sales commission. In Tanzania, as one leading executive from Jubilee Allianz explains: "There are regions where no insurance broker would

go, but where you can find branches of Tanzania Posts Corporation. We can leverage this unique advantage." The CEO of a leading insurer in Ghana (not analyzed in this report) also emphasized this strategic advantage: "In Ghana, the Post has 350 branches, including in rural areas where there is hardly any other social infrastructure, especially for financial services. With the Post we can reach more underserved customers than through any other channel."

These networks are diverse in nature, as they include physical outlets (owned or franchised), mobile agencies (e.g. vans serving multiple localities) or agents offering doorstep services. India Post has the largest network in the sample, with 159,000 physical outlets, 134,000 of which are in rural areas. IPPB leverages an even larger network of 236,000 individual postal agents, known as Gramin Dak Sevaks (GDSs),¹³ who deliver financial services directly to customers. Pos Indonesia operates 4,500 physical outlets and extends its reach through 101,000 independent agents, ranging from small shop owners to individuals. The chart below illustrates the reach of the postal networks featured in this report.

Posts are generally seen as trusted entities owing to the trust-based relationships that postal staff have with their communities, and also their broader public service mission, which is deeply embedded at all hierarchical levels. In many markets, low demand for insurance is tied to mistrust or a lack of understanding of insurance products. The trust

Figure 4: Reach of postal networks¹⁴



¹³ A term used in the Indian postal system to refer to employees who work in rural parts of the postal network.

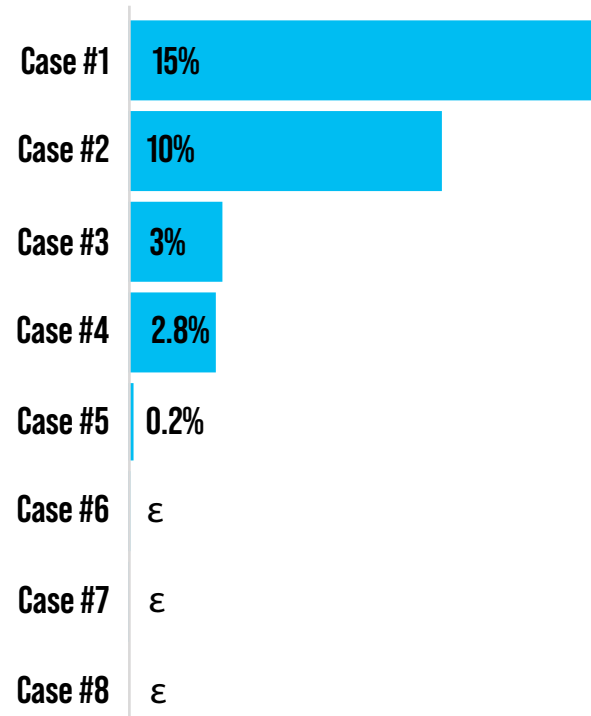
that people place in postal workers – who are often seen as “one of them”, as opposed to less relatable bankers or insurers – can help to overcome these barriers. As a Correios representative explains: “Our trustworthiness and the reach of our network are our strengths, and we need to leverage them. The personal relationships between our postal workers and our customers allows the dialogue and human connection that are required to sell insurance.” A leader at Al Barid Bank, Morocco, notes that this trustworthiness is a key asset in distributing insurance: “The image of Al Barid Bank is key to selling insurance. Our values, our mandate to provide financial services to all, and the confidence that people have in us are critical factors.” Building on their strong community ties, a number of Posts have historically contributed to consolidating local public services, and could serve as an effective bridge for the provision of inclusive insurance.

INCLUSIVE INSURANCE, WHEN NOT LIMITED TO MICROINSURANCE, CAN GENERATE SIGNIFICANT REVENUE FOR POSTS

Financial services have become a critical revenue driver for a number of Posts globally, including, but not limited to, those with postal banks. Over half of India Post’s revenue consists of remuneration from the Ministry of Finance for its postal banking services. Similarly, financial services accounted for 23% of Pos Indonesia’s total revenue for 2022.

Inclusive insurance can be a significant revenue driver, compared with other financial services, provided its target audience is not limited to the most vulnerable. Posts with banks tend to generate the most substantial revenue from inclusive insurance. The chart below shows revenue from inclusive insurance as a percentage of total postal revenue for all the cases featured in this report. Of the top four, for which the revenue from inclusive insurance is significant, three distribute insurance through a postal bank. While some of the business models are still at a very early stage, this is expected to change as activities are scaled up.

Figure 5: Revenue from postal inclusive insurance as a share of Posts’ total revenue¹⁵



Selling insurance can be a high-margin activity, which can support the financial viability of Posts generally. As one newspaper puts it, the La Poste Group (France) was “bailed out of a tough profitability situation thanks to CNP Assurances in 2023. The public group generated a net profit of 514 million EUR (555 million USD) at the end of a complicated year, marked by a slowdown in parcel delivery activities. La Banque Postale is driven by the performance of CNP.”¹⁶ That year, the banking environment was challenging, and insurance accounted for nearly all revenue growth and profit.

Within the scope of postal inclusive insurance, microinsurance products alone (targeting the most vulnerable) rarely generate significant revenue, but contribute greatly to financial inclusion. Making profit from microinsurance is a matter of scale. Given the smaller premiums, microinsurance tends to generate smaller revenue margins than other products, so higher sales volumes are required. For example, in Morocco, the Taamine product range accounts for only 6% of total insurance business for Al Barid Bank, but in terms of volume it accounts for one third of all policies sold.¹⁷ In addition to ensuring higher sales volumes, Posts need to maintain a balance between their vulnerable customers and their more affluent clientele. In France, La Poste accepts that

¹⁴ Points of contact include own physical outlets, franchised outlets, one-man outlets and mobile agencies; Hystra field visits and analysis

¹⁵ The epsilon symbol (ε) is used to represent an infinitesimally small positive quantity. Source: field visit data, Hystra analysis

¹⁶ Les Echos

¹⁷ Taamine is a Moroccan insurance term that refers to a variety of insurance products, including life insurance and microinsurance.

it will generate little to no profit on some products targeting the most vulnerable, as the products sold to its more affluent customers generate higher revenue and profit.

APART FROM REVENUE GENERATION, THERE ARE OTHER REASONS FOR POSTS TO VENTURE INTO INCLUSIVE INSURANCE

REASON 1

ALIGNING WITH THE CORE MISSION OF POSTS TO SERVE VULNERABLE POPULATIONS AND CONTRIBUTE TO FINANCIAL INCLUSION

All Posts analyzed in this report had clearly embedded their public service mission in their vision or mission statement, which is often carried forward by postal employees at all hierarchical levels. As the president of Correios says: "We aren't just sellers, but a public company with a social mission. We need to make our network available to the entire population." In France, LBP is now registered as a "mission-led company" with dedicated statutory and operational, social and environmental objectives and key performance indicators (KPIs). Inclusivity is included in its overall mission. It is audited every three years to gauge how effectively it has implemented its social and environmental mission. Recently acquired by LBP, CNP Assurances is also in the process of legally becoming a mission-led company, with inclusivity at the heart of that mission. This mindset is shared by operating staff on the ground, as expressed by a clerk: "We are not incentivized to force insurance sales in order to achieve targets; our goal is to assist clients in understanding and purchasing insurance cover that is adapted to their needs."

This financial inclusion mission is often mandated and supervised by governments, which consider Posts as critical stakeholders in achieving their national plans. The scope of financial inclusion, which has historically focused on banking, has grown to encompass other services, including inclusive insurance. For instance, the Moroccan authorities' strategic focus on financial inclusion over the past few decades has increased the number of bank accounts as a percentage of the population from 34% in 2004 to 78% in 2020.^{18,19} In 2016, the Ministry of

Finance and the central bank launched a national strategy for financial inclusion to coordinate the efforts of all actors in the financial ecosystem. A key objective of this strategy is to enhance the country's insurance penetration, which remains below 4%. Al Barid Bank has played a pivotal role in advancing inclusive insurance in Morocco. With around 400,000 active inclusive insurance contracts, it is the country's leading inclusive insurance distributor. We estimate that more than half of the standalone inclusive insurance products sold in the country are sold by Al Barid Bank.

REASON 2

RAISING INSURANCE AWARENESS AMONG A LARGE CUSTOMER BASE AND ENCOURAGING ADOPTION FOR FUTURE REVENUE GENERATION

Postal inclusive insurance is often a customer's first experience of insurance and, as such, plays a crucial role in building awareness. It is important that this first experience be successful. The vast majority of inclusive insurance customers, whether in Morocco, India or Brazil, will never have had any insurance before. Inclusive insurance products are designed to be more accessible and attractive and could ultimately empower customers to make informed financial decisions and embrace broader financial services.

Today's vulnerable customer could be tomorrow's high-worth customer, and therefore represents an opportunity for both Posts and insurance partners.

During the study, a number of insurance companies stated that partnering with Posts provided them with an opportunity to establish relationships with customers who recognized the importance of insurance and became longstanding customers, purchasing a broader range of products and taking out more comprehensive coverage. Insurance partners might therefore accept customers who generate little or no profit today, as they might become profitable in the future. As an AXA team member explained: "The aim for insurers selling microinsurance is not profitability, although it should not be loss-making either; rather, it is to increase volumes and engage future clients." An insurance partner of IPPB stated: "Our aim in partnering with India Post Payments Bank is to reach customers in every corner of India with the products that they want, and to serve them well. We will (in the future) be able to grow sales volumes by cross-selling products to existing customers."

¹⁸ Moroccan Competition Council (in French)

¹⁹ Banking system scoreboard published by Bank Al-Maghrib (in French)

REASON 3

BUILDING POSTS' TECHNICAL AND HUMAN RESOURCES**Offering inclusive insurance requires postal organizations to integrate new technical solutions and develop their employees' skills.**

Insurance partners play a crucial role in this process, providing expertise and support for technology integration, staff training, sales and marketing and much more. The upskilling of postal workers and the enhancement of technological infrastructure can be strategically leveraged by Posts to boost their competitiveness and ensure the financial sustainability of their operations.

It can be valuable for Posts to launch insurance activities on a small scale even if they do not yet have the capacity or systems to develop them.

Many Posts start small, with a limited offering, developing their internal capacity and employees' skills and testing out potential insurance partners. For example, Correios trialled the distribution of dental insurance products in collaboration with CNP Seguradora before launching a public tender for an exclusive partnership. In Morocco, the Post trialled the distribution of a term life insurance product even before establishing its postal bank. This helped it to build capacity for a more ambitious offering with Wafa Assurance. As Posts gain expertise in insurance, they can take on increasing responsibility for commercializing insurance rather than merely distributing it, allowing them to capture a larger share of revenue.



SECTION 2

BUSINESS AND PARTNERSHIP MODELS

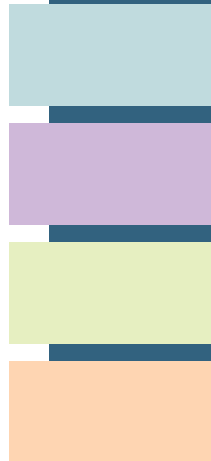
For Posts that decide to offer inclusive insurance solutions, there are various options for developing partnerships – with private and public insurance providers – and business models. On the basis of our case studies, we have categorized these options and gathered lessons on their relevance to specific contexts.

This section begins by describing the four main existing partnership models for Posts to consider and adopt in the first instance, and then provides an overview of the business model options for Posts beyond partnership options. It seeks to clarify which type of insurance products could be offered, which postal staff might sell insurance, how premiums should be collected, what role Posts might play in managing insurance beyond sales, and under what regulatory and licensing arrangements.



Partnership models for Posts and insurance providers

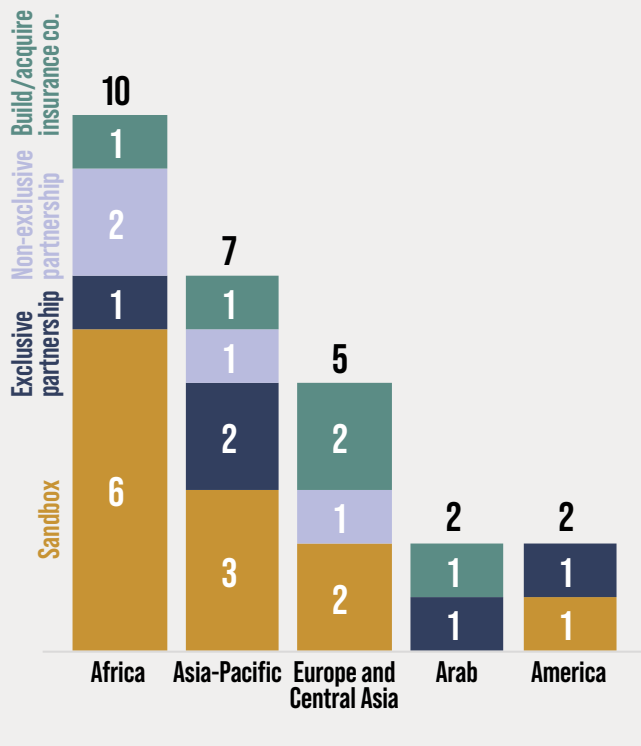
We identified four partnership models that could potentially be suitable for the provision of inclusive insurance by either Posts (sometimes referred to as “postassurance”) or postal banks (postal bancassurance). Posts can consider different partnership models at different stages of their development as financial service providers. Postal banks are even better suited to providing insurance, as they can automatically deduct premiums from customers’ bank accounts, their technical and operational capabilities are robust, and their employees are already trained to sell financial services. In either case, though, it is crucial to select insurance partners by means of a thorough and transparent request for proposals.



Partnership models for Posts and insurance providers

MODEL	DESCRIPTION	GUIDANCE FOR POSTS	
		WHY CHOOSE THIS MODEL?	WHEN IS THIS MODEL MOST SUITABLE?
EXCLUSIVE PARTNERSHIP	Partnership with a single insurance company, typically after tender, granting exclusive access to the postal network for several years, in exchange for an up-front payment and/or revenue share.	Exclusivity enables Posts to better monetize their assets and ensure commitment from partners in building the market (e.g. innovating and designing relevant products, investing in awareness, committing resources to training and sales, IT systems integration, etc.).	This model is particularly suited to Posts that are aiming to build their inclusive insurance capabilities. Examples include Al Barid Bank and Wafa Assurance in Morocco, or Correios and CNP Seguradora in Brazil.
NON-EXCLUSIVE PARTNERSHIP	Partnership with multiple insurance companies. Partners can access the postal network, apps and payment platforms to sell products, collect premiums and manage or pay claims, in exchange for a revenue share.	An exclusive partnership might be a better starting point for building capabilities. Thereafter, non-exclusive partnerships can be concluded to expand the product portfolio in a way that would not be possible under an exclusive partnership.	Non-exclusive relationships can create healthy competition between partners but may not always be necessary, depending on the capabilities of the initial, exclusive, partner. In countries with a large geographical scope and diverse demographics, such as India, starting with multiple insurance partners may also help penetrate multiple regions more quickly. IPPB partnered with six non-life and three life insurance companies.
BUILD/ACQUIRE AN INSURANCE COMPANY	Posts with substantial financial capabilities might choose to build or acquire an insurance company, allowing them to offer proprietary products and increase their financial stake in insurance distribution.	Incorporating an insurance company allows the Post to enhance financial returns from insurance and reinforce the mission-driven culture of the organization. This model requires significant capital investment, strong leadership and government support.	This model is best suited to Posts or postal banks that are advanced in their insurance journey, particularly in large or mature markets. Acquiring an insurance company can be a way to achieve this strategic expansion, especially when the insurer is already a partner or partially publicly owned. For example, LBP in France acquired CNP Assurances in 2022. India Post, however, chose not to acquire an insurance company, and has been offering its own life insurance since 1884 under the direct supervision of the Ministry of Finance. Initially available only to postal employees, it was expanded to cover other public and private sector employees, with a separate offering for rural populations.
SANDBOX	Experimental model to test inclusive insurance before committing to a full-scale roll-out. Posts could partner with one or more insurers to explore different business models and find the right product-market fit.	A trial period can provide the necessary leeway to assess customer needs, test products, build knowledge, train postal staff, understand operational processes and requirements and evaluate insurers' willingness to offer support.	This approach is particularly suitable as a starting point and in less mature markets, or when insurance is not yet a priority within the Post's transformation plan.

Figure 6: Distribution of the four business and partnership models



Source: Hystra analysis



The 26 Posts identified as distributing inclusive insurance are using a variety of partnership models. The sandbox model is the most widespread, which reveals that the postal inclusive insurance market is still relatively immature.

As shown in figure 7, the suitability of each of the four models described above depends primarily on the following two factors:

Posts' assets and capabilities

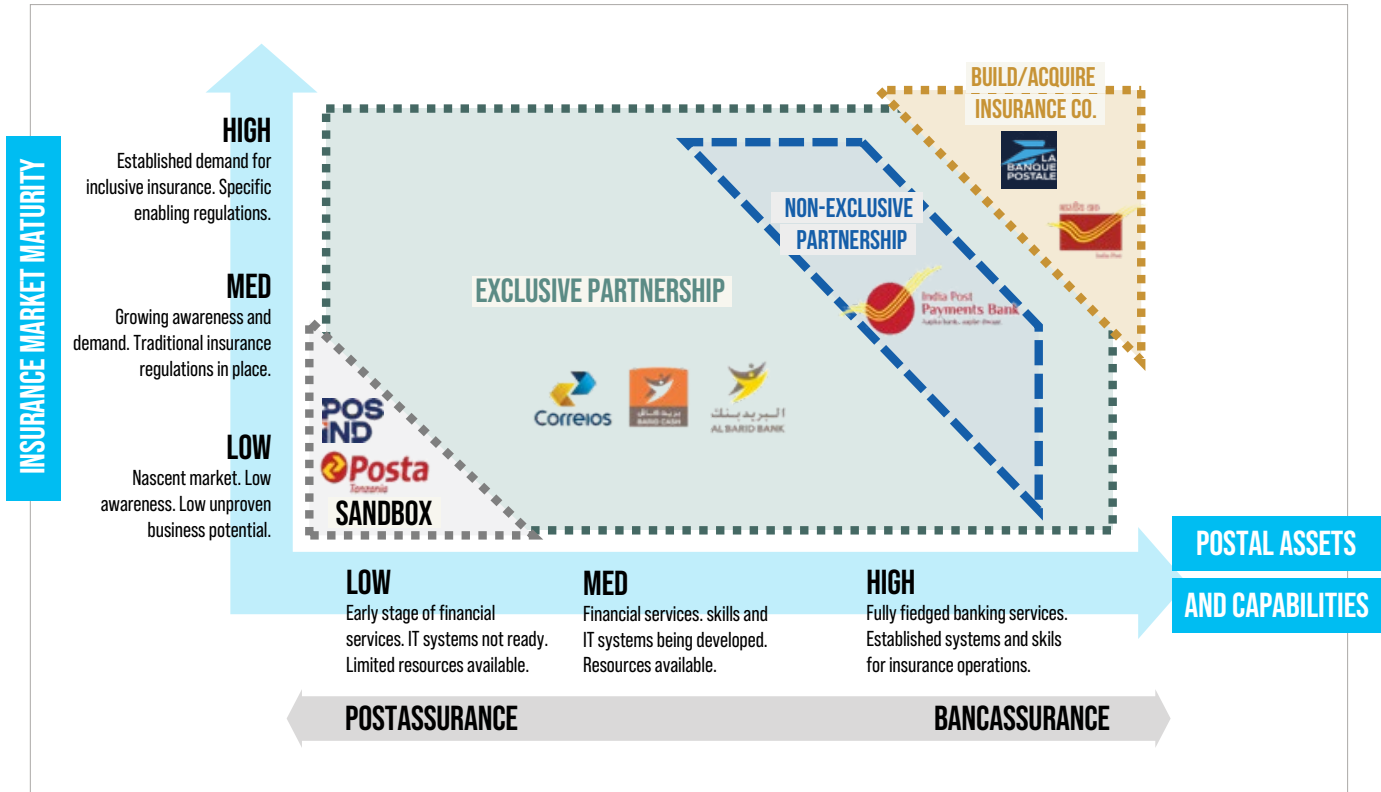
Depending on how advanced Posts are in diversifying into financial services, how robust their IT systems are, and what resources they can invest in building capabilities, they might not all need the same level of support or be in the same bargaining position vis-à-vis potential insurance partners;

The maturity of the insurance market in the country

The investment and capabilities required to provide inclusive insurance will depend on the awareness of inclusive insurance among potential customers, the existence of actionable demand, the identification of inclusive insurance as a financial inclusion tool in the government's national strategy, and the supportiveness of the regulatory framework




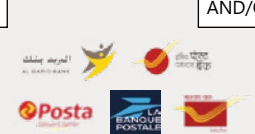











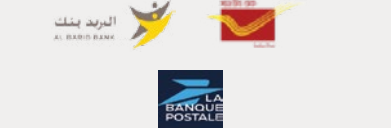


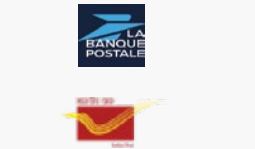
Figure 7: Suitability of partnership models according to postal and insurance market maturity²⁰



Overview of business model options

There is no one-size-fits-all model for Posts seeking to introduce or scale up their inclusive insurance offerings. Posts must determine the most suitable approach on the basis of their unique local context, available resources and internal capabilities.

Table 3: Business model options – decisions to be made when implementing inclusive insurance²¹

<p>What range of products should be offered?</p>	<p>Posts could sell micro, inclusive or traditional insurance – or a mixture of these</p>	<p>Inclusive insurance (micro)</p> 	<p>Inclusive insurance (non-micro)</p> 	<p>Traditional insurance</p> 
<p>Should Posts offer private and/or public insurance?</p>	<p>Posts could sell private insurance products and/or distribute products and benefits under government schemes</p>	<p>Private insurance products</p> 	<p>Government insurance schemes</p> 	<p>Both</p> 
<p>What payment methods should be used for premium collection?</p>	<p>Posts can collect premiums from postal bank accounts or wallets. In the absence of wallets, other channels are needed</p>	<p>Postal bank accounts</p> 	<p>Postal wallets</p> 	<p>Alternative payment channels</p> 
<p>Which postal staff should be authorized and trained to sell?</p>	<p>Different categories of postal staff might be expected to sell insurance, for which they will need appropriate training and support</p>	<p>Sales by postmen</p> 	<p>Sales by postal clerks</p> 	<p>Sales by postal bankers</p> 
<p>What role should the Post play in managing claims?</p>	<p>Posts could merely distribute insurance products or, potentially, handle claims assessments and payouts</p>	<p>Claims fully managed by partner</p> 	<p>Claims managed by Posts</p> 	
<p>What regulatory licence should the Post operate under?</p>	<p>Posts must select the appropriate status in accordance with their roles and local regulations</p>	<p>Agent license</p> 	<p>Broker license</p> 	<p>Insurer license</p> 

21 Source: Hystra field visits and analysis

SECTION 3

HOW POSTS AND INSURANCE COMPANIES CAN BUILD SUCCESSFUL OPERATIONS

The success factors observed in the case studies analyzed are remarkably similar, irrespective of context, geography and model used. This section presents 11 lessons from the field that any postal operator and insurance provider should take into consideration when engaging in and deploying postal inclusive insurance operations.

Table 4: Lessons to consider when designing, launching and scaling postal inclusive insurance operations

DESIGN		LAUNCH		SCALE	
PRODUCT PORTFOLIO	TRAINING AND CAPACITY BUILDING	SALES AND MARKETING	TECHNICAL INTEGRATION	PARTNERSHIP AND GOVERNANCE	GROWING REVENUE AND IMPACT
<p>Straightforward products and claims processes can make postal inclusive insurance products easy to sell</p> <p>There is no one-size-fits-all product for every country</p> <p>Without corrective measures, a single top-selling product will dominate the market</p>	<p>Postmen, postal clerks and postal bankers can sell and service inclusive insurance policies</p>	<p>Postal staff have conflicting priorities: strong sales require a strong push</p> <p>Assisting customers with claims and promptly paying those claims is critical, and is also a powerful marketing tool</p>	<p>User-unfriendly IT systems hamper sales: postmen need a super app</p>	<p>Support from insurance partners is a key success factor and should be combined with co-investment from Posts</p> <p>Successful partnerships start with strong commitment and require continuous alignment at the leadership and operational levels</p>	<p>Automatically debiting premiums, whether from postal or third-party accounts, is vital for collections and renewals</p> <p>Best practitioners embed inclusivity in all areas of their insurance portfolio</p>

STRAIGHTFORWARD PRODUCTS AND CLAIMS PROCESSES CAN MAKE POSTAL INCLUSIVE INSURANCE PRODUCTS “EASY TO SELL”.

Affordable, easy-to-understand products with simple subscription and claims processes are most suitable for Posts. Products and processes must be tailored to the target customers and to the capabilities and expertise of the postal staff responsible for them.

Products should be simple so as to ensure that they can be sold easily.

Simplicity is reflected in the pricing structure, the number of options available and the guarantees offered. India Post takes pride in the straightforward nature of its insurance products, as a member of its management explains: “Products sold by private players often come with numerous add-ons and frills. We offer plain vanilla. These extras come at a high price, and there are often many hidden conditions in the fine print.”

The language used in contracts is a key element of simplicity.

The Taamine product range offered by Al Barid Bank and Wafa Assurance uses dialectal Arabic, the language spoken by the target consumers, whereas the common practice for contracts in Morocco is to write them in French or modern standard Arabic. In France, contracts are written in “plain language” as defined by the International Plain Language Federation, meaning language that is “clear, concise and well organized, and follows other best practices appropriate to the subject or field and intended audience”.

Postal agents need to believe in the products that they are selling, to the extent that they themselves would be willing to purchase them. A postal clerk at Correios stated: “The products are easy to understand and sell. I’m convinced that insurance is valuable, and I’ve even subscribed to products for my own family members.” Correios’ inclusive insurance products have a fixed premium ranging from 1.80 to 5.30 USD per month.

The subscription process should also be simplified to ensure that sales can be completed in under 10 minutes.

This can be achieved by minimizing documentation and providing straightforward payment solutions and digital systems that expedite the process. For example, features such as electronic signatures can help postal staff to save valuable time.

Figure 8: Time taken by postal workers to subscribe a customer to a policy



Marketing materials can help to reinforce the perception of simplicity among customers. For example, Correios makes one-page brochures available at every desk, clearly presenting the products available using simple language and visuals.

The claims and payout process should also be as straightforward as possible, with payments made immediately or within days: Correios allows funeral claims to be submitted online or via WhatsApp, which is highly convenient for customers. In Morocco, a beneficiary presenting a death certificate and ID at an Al Barid Bank office will receive immediate payment, with Wafa Assurance conducting post-payment audits. The delegation of claims validation to postal staff is not always feasible, especially in the early stages. In the case of Barid Cash, payments are made within 24 hours, rather than immediately.

NO SINGLE PRODUCT IS SUITABLE FOR ALL COUNTRIES

Products must be tailored to local markets, calling for adaption and innovation. There may even be variations in offerings within the same country.

In theory, protection needs are more or less universal, irrespective of geography, given the commonality of risks related to health, economic stability, death, disability, climate change, and so on. However, postal inclusive insurance products must be adapted to various factors, including: However, postal inclusive insurance products must be adapted to various factors, including:

Cultural preferences: At Correios, all postal inclusive insurance products include a lottery ticket (with a potential prize of 3,500 USD) reflecting local habits and providing a visible benefit at the time of purchase;

Religious considerations: In Indonesia, takaful (sharia-compliant) insurance is sometimes preferred by customers. Among the 78 general insurance companies in the country, nine are sharia-compliant, and Pos Indonesia has partnered with one of these;

Figure 9: Correios' inclusive insurance offering with lottery add-on²²



22 Source: Correios marketing material, available in post offices

Public protection coverage: Universal health coverage is a significant enabler for complementary private policies. Posts are well positioned to distribute products under government schemes, such as the BPJS-TK in Indonesia (Pos Indonesia's best-selling insurance product);

Existing insurance offerings: Posts are well placed to distribute inclusive insurance products that are already in high demand. Conversely, in Morocco, micro funeral products introduced by Al Barid Bank were subsequently replicated by competitors across other banking and payment channels;

Regional needs: In Tanzania, insurance partners aim to adapt their offerings to meet local demands, such as business protection for small enterprises in Dar es Salaam, crop insurance in southern regions and tailored products for fishermen along the coast;

Specific local risks: Exposure to unique local risks, such as climate-related hazards or specific health threats, might call for the development of specialized products;

Local infrastructure: The availability of quality health-care infrastructure is essential for offering health insurance products that meet expectations.

There could be local differences within a single country. As Pos Indonesia's management explains: *"Indonesia has more than 1,300 ethnicities and over 17,000 islands. We cannot sell the same product in all regions."* Products must adapt to different cultures in order to succeed.

Adapting products is not just about changing the pricing. As one global expert on inclusive insurance explains: *"A product is about management procedures, customer and back-office interfaces, underwriting and claims management processes. Products need to be designed with a client-centric approach."*

Surveying customer needs is key before launching any product. For example, six inclusive insurance products tailored to Correios customers were designed on the basis of insights from three customer surveys. The director of insurance at Al Barid Bank stressed the importance of this approach, stating: *"My advice to any Post is to run customer surveys and focus groups to adapt products to customer needs."*

Posts can (but rarely do) survey their own staff when launching a product. Such a survey could serve as a first step in raising insurance awareness among postal staff. A marketeer at LBP stated: *"Our postal clerks are also our end users, so we assess products with them."*



WITHOUT CORRECTIVE MEASURES, A SINGLE TOP-SELLING PRODUCT WILL ACCOUNT FOR THE MAJORITY OF SALES

In the case studies, a single product often accounted for more than 70% of policies sold. Typically, these products were perceived by postal staff as easier to sell because they were better understood by customers or more affordable. Left unchecked, such biases tend to reinforce themselves, so that staff get better at selling a particular product and prioritize it in all circumstances.



On most of the markets analyzed, one product was a clear frontrunner. The table below shows the best-selling products in each case study. In Morocco, although Al Barid Bank has rolled out four microinsurance products under its Taamine Iktissadi range,²³ and introduced new products covering hospitalization and invalidity risks, Taamine Rahma (funeral insurance) represents 95% of its microinsurance portfolio. In Indonesia, BPJS-TK, a government-run savings plan that combines death and disability coverage with a lump-sum payout at retirement, accounts for over 99% of Pos Indonesia's inclusive insurance income.

Several factors contribute to this phenomenon, ranging from price point to self-reinforcing sales biases. The top-selling product is often the most affordable one. In Brazil, for example, Correios sells far more of its entry-level product than it originally anticipated. Biases are amplified as postal staff, faced with time constraints and extensive product ranges, focus on the product they know best. This is especially true when sales targets are not designed to address this issue, for instance when the primary KPI is the total number of policies sold.

Posts and their insurance partners can help staff to sell a more diverse range of products by providing training and simulation tools and bundling offerings. These measures help to ensure that each customer receives the offering best suited to his or her needs. In Brazil, a decision tree was introduced to guide sales by assessing customer profiles and recommending the best product fit. In France, postal bankers use a digital simulator, and agents are incentivized to cross-sell life and non-life products, since customers often hold only one type of policy. Bundling insurance products can be advantageous, but customers can be deterred by the higher premiums involved.



Table 5: Top-selling products according to case study²⁴

Case study	Top selling product	Product premium	Est. % of inclusive insurance sales
 AL BARID BANK البريد بنك لبنان المعمارية	Funeral	6USD/year	95%
 भारतीय डाक India Post Post Delivery Class Service	Endowment	from 7 USD/year	>90%
 इंडिया पोस्ट मेम्बरस सेवक	Group personal accident	6.50-8.50 USD/year	90%*
 Correios	Funeral	21 USD/year	70%
 POS IND	BPJS-TK products from government**	15 USD/year	92%

23 Iktissadi roughly translates as 'low cost'.

24 Source: Hystra field visits. Notes: (*) Of non-life product sales; (**) Old age security, employment security, death security

POSTMEN, POSTAL CLERKS AND POSTAL BANKERS CAN SELL AND SERVICE INCLUSIVE INSURANCE, PROVIDED CERTAIN CONDITIONS ARE MET

A key question that this study sought to answer was whether postal workers could sell inclusive insurance products, and, if so, whether this activity should be carried out only by postal bankers and postal clerks, or also by postmen in the field.

Different categories of postal employee, when adequately trained and incentivized, can effectively sell inclusive insurance:

Postal bankers: Postal banks, such as Al Barid Bank in Morocco and LBP in France, have successfully marketed a broad range of insurance products through their postal officers.

Postal clerks in physical outlets: Postal clerks of Correios in Brazil, India Post and Tanzania Posts Corporation (TPC) are actively involved in selling inclusive insurance, typically through the cross-selling of insurance products to customers who visit the Post for other services, such as remittances or parcel deliveries.

Postmen and field agents: GDSs sell life, non-life and health insurance directly on their customers' doorsteps or at small sales camps organized in conjunction with village leaders, cooperatives, schools and other local institutions. They use a mobile banking app to facilitate the sales process. In Indonesia, over 100,000 independent agents collect insurance premiums using the POSPAY app, into which Pos Indonesia is working on integrating a subscription feature for insurance.

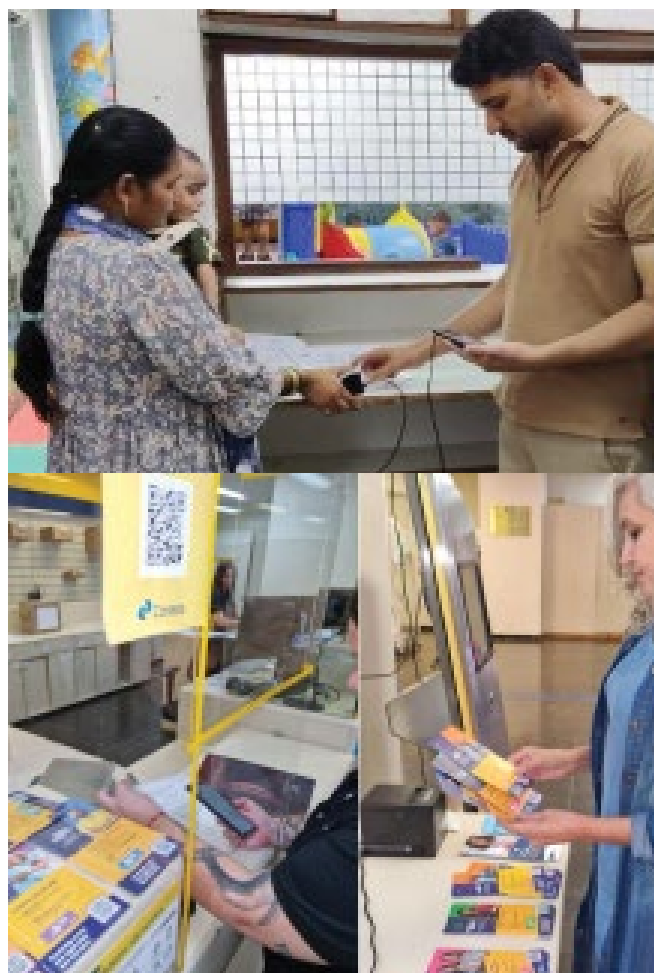
Sales volumes can be substantial, particularly for postal banks. Subscription rates are often high at the point of opening an account, as postal bankers frequently cross-sell products. This approach was key to the extensive development of Al Barid Bank's insurance portfolio in Morocco, and to the acquisition of 2.9 million insurance customers by IPPB in just four years.

The sales performance of Posts can vary significantly, with some outlets showing limited engagement.

Branches, and even entire regions, can struggle to achieve meaningful sales figures for insurance products. In addition, sales disparities between outlets can arise where Posts and their insurance partners initially prioritize locations with high foot traffic and more favourable socio-economic factors, as observed in Brazil and India.

Posts can work towards making inclusive insurance available everywhere, thus fulfilling their mandate to serve all citizens. For instance, in Brazil, CNP Seguradora and Correios have set a target for all postal clerks to sell at least one policy at launch, even in lower-income areas – and this target is on track to be met. In France, CNP Assurances is now focusing on supporting LBP's less active agents in overcoming challenges related to insurance distribution.

Figure 10: Correios clerk and clients in Brasilia and an India Post agent serving a customer²⁵



POSTAL STAFF HAVE CONFLICTING PRIORITIES: STRONG INSURANCE SALES REQUIRE A STRONG PUSH

Posts wishing to prioritize inclusive insurance must bear in mind that postal staff have multiple responsibilities and other products to promote. Company-wide push and incentive campaigns are essential in driving sales.

Without a strong push, achieving significant sales volumes is unlikely. An active campaign can boost sales by a factor of 10. The chart below illustrates sales performance during campaign weeks compared with “normal” weeks, in two of the countries studied.

There are various strategies for driving sales, including but not limited to:

Sales competitions between agencies:

Al Barid Bank frequently organizes competitions, with staff able to track their ranking in real time;

Recognition of winners:

Winners are recognized through channels such as WhatsApp groups. This practice is observed in a number of countries;

Gamification:

Correios and CNP Seguradora have developed an app that rewards clerks with points when they meet targets. The points can then be used to purchase household items;



Calendars with daily priorities:

Correios allocates two days per week to insurance sales, while other days are dedicated to selling logistics services, mobile top-ups, and so on;

Multi-tiered incentives:

Al Barid Bank motivates its staff through a combination of quarterly bonuses, sales commission and vouchers;

Multi-channel marketing:

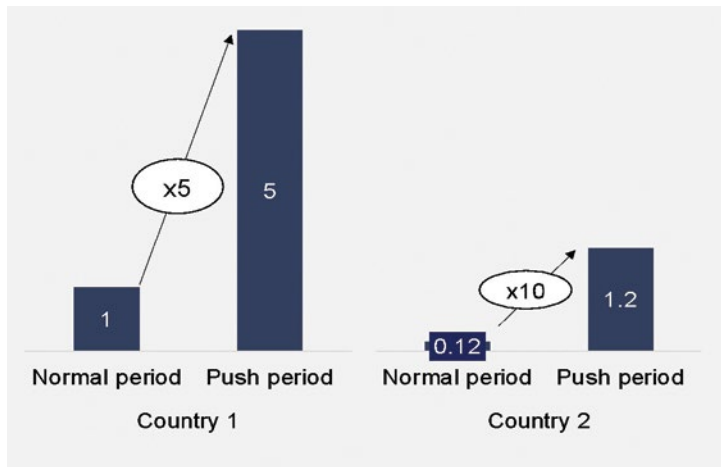
Integrating sales pushes in postal outlets with radio or social media campaigns is a common practice;

Top management support:

Creating organization-wide momentum through precise KPIs and dashboards, reviewed daily, weekly and monthly.

While financial incentives are essential for short-term sales, they should be complemented by efforts to align postal staff with the social mission of inclusive insurance. Incentives alone are not enough to convince agents of the broader benefits of the products and their role in supporting public service or contributing to financial inclusion. As one CNP Assurances manager explained: “Our sales strategy relies on two pillars: purpose and steering (sens et pilotage).”

Figure 11: Number of inclusive insurance policies sold per week per outlet, in normal periods and during push campaigns²⁶



ASSISTING CUSTOMERS WITH CLAIMS AND PROMPTLY PAYING THEM IS INHERENT TO POSTS' PUBLIC SERVICE MISSION AND IS ALSO A POWERFUL MARKETING TOOL

Posts wishing to prioritize inclusive insurance must bear in mind that postal staff have multiple responsibilities and other products to promote. Company-wide push and incentive campaigns are essential in driving sales.

Inclusive insurance customers often need support with claims, for which Posts have a responsibility.

Filling out claims and receiving payouts can be challenging, especially for first-time insurance customers. Posts' responsibility begins at the sales stage, by ensuring that customers fully understand the product that they are purchasing. Posts can further assist customers by sending reminders, gathering necessary documents, submitting claims to insurers, or even identifying undeclared claims. Al Barid Bank conducts biannual campaigns to identify claimants for their term life products. At Correios and IPPB, postal workers informally assist clients in preparing claims documentation. As India Post highlights: "Our clients know us for our efficient claims process. During COVID-19, we settled 100% of genuine claims, unlike others that rejected claims, citing legal exceptions."

Ensuring minimum claims ratios is critical for the social impact of postal inclusive insurance. True value for customers lies not in purchasing policies, but in receiving payouts when an insured risk materializes. Bert Opdebeeck, founder of the Microinsurance Master accelerator programme, states: "The claims ratio signals client value and is an important measure of success. A target claims ratio can be taken as guidance for developing the most beneficial products for clients." Despite this, inclusive insurance products distributed through Posts often have low claims ratios, sometimes below 10%, especially for term life or personal accident products. Monitoring claim-related KPIs, such as claims ratios and payment delays, is essential from the outset and at all organizational levels. While some insurers may view low claims ratios as favourable, claims ratios as a metric should be recognized as a true measure of impact. Posts and their partners can implement strategies to encourage claims declarations, such as sending regular information via SMS messages, reducing required documentation, enabling digital submissions (e.g. via WhatsApp), providing intensive training and raising awareness among agents, and widely disseminating communications about individual claim payments. Media coverage of claim payouts can be a powerful tool for building trust and awareness of inclusive insurance and therefore fostering growth. For instance, in Morocco,

Al Barid Bank and Wafa Assurance investigated cases of unclaimed funeral insurance payouts, with the help of local postmen, and created video clips of beneficiaries discovering their eligibility for benefits. The clips were broadcast on TV and social media, attracting millions of views. In addition, positive word-of-mouth generated by claims payouts reinforces the tangible value of insurance for potential customers, ultimately driving sales growth.

Figure 12: Al Barid Bank communication campaign on claims



USER-UNFRIENDLY IT SYSTEMS HAMPER SALES: POSTMEN NEED A SUPER APP

IT systems form the backbone of insurance sales and management, so their interfaces need to be intuitive for postal workers. Mobile apps enabling postmen to sell postal services can significantly expand both the reach and volume of insurance sales.

Simple, user-friendly, front-office software is essential for postal employees to effectively promote and sell insurance. In Tanzania, the complexity of the Smart Policy platform designed for brokers to sell insurance has discouraged many postal staff from using it for simple products. Despite partnerships having recently been concluded between TPC and private insurers like Jubilee Allianz and Assemble, 80% of TPC's insurance portfolio remains with National Insurance Corporation (NIC), its original public sector insurance partner, with which it has collaborated since 2009. NIC's policies are sold using simple and user-friendly front-office software.

Equipping postmen or agents with smartphones and insurance apps is crucial for field distribution. In India, IPPB has provided its 237,000 agents with smartphones and a banking app known as Micro ATM, enabling basic banking services for underserved populations in remote rural areas. Similarly, the Pospay app used by Pos Indonesia provides vendor QR codes and facilitates some 2,000 services, including bill payments, money deposits/withdrawals, remittances and donations to charity. The app supports premium collections and, in the future, will incorporate insurance subscriptions and claims management.

Posts should ideally use their own information systems and integrate them with their insurers' via APIs. Posts whose systems lack the robustness or flexibility to accommodate new features can initially rely on their partner's system. For example, Correios (Brazil) and Al Barid Bank (Morocco) operate on their own systems, connected to their insurance partners'. Dedicated IT teams on the insurer side, such as the 15-person squad at CNP Seguradora, might be required to facilitate system integration. Moreover, linking Posts' and insurers' client databases minimizes duplicate data entries and reduces errors.

Technology providers and aggregators can accelerate the deployment of insurance management systems at Posts. IPPB, which partners with multiple insurers, uses a tech aggregator to integrate systems efficiently and securely. The aggregator connects the bank's platform with each insurer's system. Similarly, Pos Indonesia hired the insurance tech firm and aggregator Sunday to provide it with the technical capacity to launch two new insurance products within three months.

Even when policies are provided digitally with electronic signatures, Posts and insurers must ensure that customers receive a physical copy of their policy or an insurance ticket, ideally accompanied by a brochure. This helps customers to remember their policy details and share them with their beneficiaries. Correios and Pos Indonesia use ticketing hardware systems to print complete contract details at the time of sale. While technology enables new, inclusive services, vulnerable populations may lack digital capability. Posts may need to support these customers in adopting digital services. In France, LBP's advisors assist with digital education as part of their public service mission.

SUPPORT FROM INSURANCE PARTNERS IS A KEY SUCCESS FACTOR AND SHOULD BE COMBINED WITH CO-INVESTMENT FROM POSTS





































As one manager at Correios puts it: "Insurance is not a product that is demanded; it is a product that is sold." Given that selling insurance often falls outside the expertise of postal staff, insurance partners play a pivotal role by providing training, sharing best practices, offering incentives or co-investing in marketing efforts. At the same time, Posts must co-invest in building in-house capabilities and in monitoring sales performance.

Insurance partners can play a critical role in supporting sales and marketing operations, although their level of involvement varies from one case study to another. For instance, the insurance partners of Correios and Al Barid Bank make substantial contributions, while those of TPC and Pos Indonesia contribute less. In Brazil, where Correios and CNP Seguradora recently established a 10-year exclusive partnership, CNP Seguradora supports sales efforts with a wide range of materials, including posters, banners, video advertisements, brochures, and sales scripts for postal agents. It has also deployed 50 consultants to assist Correios clerks in strategic locations covering 70% of the postal network. All postal clerks have received full training, consisting of a two-hour online module on products, a four-hour workshop on sales best practices, and continuous on-site mentoring by CNP Seguradora sales consultants. Furthermore, CNP Seguradora funds monetary rewards for agents to recognize their performance in monthly sales campaigns conducted three to four times a year. On an online rewards platform launched by CNP Seguradora, clerks can use the points that they have earned for achieving sales targets to pay for household goods. The chart below highlights how insurance partners contribute to sales and marketing efforts across the case studies, whether by providing financial resources, sharing best practices or supporting sales force management.

The incentives for the insurer to co-invest will depend on the terms of its partnership with the Post. Insurers' willingness to invest in sales and marketing is generally tied to the sales that they expect to generate through the postal network. Exclusive partnerships generally foster greater commitment, but insurers may also be willing to co-invest under non-exclusive partnerships, provided that the business potential is deemed high enough. For example, IPPB collaborates with several insurance partners that contribute to product design, marketing, agent training, consulting and after-sales services for clients.

The support provided by insurance partners must adapt to the Posts' capabilities and culture, ideally under a co-construction approach. In Brazil, CNP Seguradora has dedicated a team of 15 employees exclusively to its partnership with Correios. The establishment of a dedicated executive committee by both partners has facilitated rapid decision-making, while weekly coordination meetings ensure ongoing collaboration between both partners' teams.

Table 6: Sales and marketing support from insurance partners²⁷

	Insurance partners provide				
	Marketing materials	Training	Sales promoters		Incentives (cash or in-kind)
			 12 sales promoters		 Gift vouchers
			 50 sales promoters		 Gamified platform
					 Equipment/suport
					 limited contributors
		 digital only	 1 hour, low frequency		 Branch-level
					 1 partner only out of 3

27 Source: Hystra field visits

In any case, Posts must closely monitor their sales performance and co-invest in developing their sales and marketing capabilities. The level of investment by insurance partners in marketing and sales largely depends on the Post's co-investment in both capital and human resources, and sometimes on the exclusivity of the partnership. Pos Indonesia's insurance partner Sunday emphasized the "importance of incentivizing postal branches and agents with commission tied to specific KPIs for insurance sales" rather than aggregated revenue targets for all channels. Similarly, TPC's partner Jubilee Allianz stressed the need for Posts to develop a clear business plan with a marketing budget and sales strategy for insurance, with buy-in from top management, to complement the support provided by insurance partners.

SUCCESSFUL PARTNERSHIPS START WITH STRONG COMMITMENT AND REQUIRE CONTINUOUS ALIGNMENT AT THE LEADERSHIP AND OPERATIONAL LEVELS

Successful partnerships are built on a shared vision at the leadership level, solid contractual agreements, adequate resource allocation from both sides, and a strong governance structure that enables the regular alignment of objectives at all levels. In these partnerships, insurance partners should actively adapt to the Post's needs, systems and customers, rather than imposing off-the-shelf products or practices.

Commitment is built from the outset of the partnership, through the development of a strong business case and a compelling impact case for both parties. Revenue-sharing models were common to all the successful case studies analyzed for this report. Incorporating a competitive bidding procedure can also be explored, as in the case of Correios in Brazil. Whatever the chosen approach, it will be essential to thoroughly evaluate the private partner's business case and meticulously prepare the conditions and implementation plan. Concluding an exclusive partnership encourages the insurance partner to allocate dedicated resources to the project and is generally recommended as a starting point for most Posts. However, in markets with a wide

geographic or demographic scope, such as India, a multi-partner model might be needed to ensure comprehensive coverage. Setting ambitious sales targets from the outset and consistently achieving them is essential to building and sustaining momentum. In certain cases, publicly announcing these targets can further enhance mutual commitment and accountability.

Partnership terms are most effective when set out in detail. For example, the 10-year exclusive agreement between Correios and CNP Seguradora is governed by a comprehensive SLA specifying sales targets, the insurer's commitment to invest in marketing (e.g. advertising budgets and dedicated sales promoters), and the sales best practices to be adopted by clerks. This meticulous groundwork provided a strong foundation for execution, enabling a Post with little insurance expertise to successfully launch an extensive product portfolio within just six months.

A governance model that includes regular meetings at different hierarchical levels and allows for swift course correction is critical to the successful deployment of a partnership. For instance, in the partnership between Correios and CNP Seguradora, weekly meetings involving project, sales and marketing teams were essential during the launch phase. Monthly executive management reviews are also crucial in the early stages. Meeting objectives is easier where partners set up similar governance structures for the project. In France, LBP created a dedicated savings and insurance division to reinforce its bancassurance model, while CNP Assurances developed a dedicated business unit to manage its operations with LBP.

Partnership terms must periodically be reviewed, with Posts issuing new requests for proposals to ensure that their partners continue to deliver optimal value. For example, In Morocco, while Al Barid Bank has partnered solely with Wafa Assurance since the launch of its inclusive insurance offering, it issues a new request for proposals every five years, inviting Wafa and its competitors to bid. Similarly, IPPB, which devotes considerable effort to shaping the design of insurance products, invites its insurance partners to submit tailored solutions through requests for proposals for each new product launch.



Spotlight on the joint venture between AXA and Post for Investment: advancing inclusive insurance in Egypt

October 2024 saw the launch of Egypt's first microinsurance company – a 50-50 joint venture between AXA Egypt and Post for Investment (PFI), the investment arm of Egypt Post. Combining AXA's inclusive insurance experience with Egypt Post's last-mile distribution capabilities, and having access to over 4,500 branches, the company will transform Egypt's insurance market and contribute to bridging the protection gap in the country. For Egyptians, 85% of whom are uninsured, illness and loss of a breadwinner are the top perceived risks. The company will provide coverage for those risks through Egypt Post and other distribution channels, aiming to reach 12 million clients.

AXA and PFI, as shareholders, and Egypt Post, as the main distribution channel, have allocated significant human resources to this endeavour, from across five work streams (finance, legal, IT and operations, go-to-market, and company identity). For AXA EssentiALL (AXA's inclusive insurance arm) and AXA Egypt, the company will accelerate the implementation of their inclusive insurance strategy, for which the journey began in 2017. The joint venture will cement PFI's role in bringing together private and public partners, and will leverage Egypt Post's unparalleled distribution capabilities and brand to provide innovative financial and investment products to a large proportion of society, all while achieving attractive and sustainable financial returns.



Photo: AXA

AUTOMATICALLY DEBITING PREMIUMS, WHETHER FROM POSTAL OR THIRD-PARTY ACCOUNTS, IS VITAL FOR COLLECTIONS AND RENEWALS

For Posts that have launched banking services, inclusive insurance products can be distributed through the traditional bancassurance model, with premiums automatically collected from bank accounts. When this is not possible, Posts must identify an alternative method for automatic premium collection. This is crucial to prevent two-digit churn rates and to ensure that clients remain insured and that inclusive insurance remains economically sustainable.

The long-term viability of the postal inclusive insurance model largely depends on the automation of premium collection. Without automatic debit, high churn rates have been observed, particularly within the first three months of subscription, regardless of the quality of the insurance product. The chart below illustrates annual renewal rates – for a product targeted at multiple socio-economic segments in Morocco – according to premium collection method, namely automatic collection by Al Barid Bank (left column) and cash payment (right column). The renewal rates differ significantly, with automated collection being three times more effective and clearly the only financially sustainable option. While Al Barid Bank's renewal rate stands at an impressive 92%, it relies on multiple collection attempts over a period of three months, particularly where customers leave insufficient funds in their bank accounts.

Where Posts do not offer banking services but wish to offer inclusive insurance at scale, automatic debits can be made through partnerships with banks, mobile operators, financial service aggregators or employers. For instance, India Post has a default rate of almost zero for its postal life insurance policy when premiums are directly debited from the pay of government employees. On the other hand, Correios (Brazil), which accepts premium payments via Boleto, a widely used payment system, reported that the obligation for customers to validate their monthly premium payments reduced the effectiveness of recurring premium collections. Correios is considering introducing a recurring debit feature through Pix, another popular payment system in Brazil.

Bundling insurance with other products can improve premium collection rates, in addition to boosting sales volumes. Insurance can be bundled with savings accounts, remittance services, loans, or non-financial services provided by the Post, including utility bill payments, parcel deliveries, and social benefit and pension payments. However, when bundling insurance with other products, Posts and their partners must ensure that customers fully understand their embedded insurance policies and are aware that they have insurance when an insured risk materializes. This requires robust processes, clear documentation and strict quality controls. It is especially important that sellers take the time to explain the conditions and benefits of insurance when offering bundled products.

When premiums are collected automatically via mobile wallets, smart billing systems can significantly improve collection success rates. These systems detect when funds are available in the client's account or wallet and automatically trigger premium payments, ensuring uninterrupted coverage. Their use calls for clear communication with clients, including regular notifications or summaries of premium collections.

In the absence of automatic collection, Posts might consider charging annual premiums, although this approach often leads to non-renewal after one year. Moreover, sales of annual premiums are likely to be limited where policies are targeted at low-income customers, who might struggle to make lump-sum payments, even if discounted. Monthly insurance products should be avoided, as they are of limited value to customers and entail higher risks of adverse selection.

Figure 13: Annual renewal rate of a single product in Morocco according to premium collection method (automatic vs cash)²⁸



BEST PRACTITIONERS EMBED INCLUSIVITY THROUGHOUT THEIR INSURANCE PRODUCT PORTFOLIOS

Some postal operators have developed innovative products and processes to embed inclusive features across their entire insurance product portfolio, including postal banks with substantial bancassurance operations.

Serving the most vulnerable customers lies at the heart of the Post's inclusion mission, even where profitability is limited. Indeed, the revenue generated by inclusive or microinsurance products targeting the most vulnerable is often modest. Premiums are kept low to adapt to customers' financial constraints, and operational costs (such as product development, awareness campaigns, marketing and claims management) can be reduced only to a certain extent. To ensure financial sustainability, services for vulnerable customers are subsidized by more profitable services for other customer segments. As a representative of Al Barid Bank explained: "Profitability is not the main motivation for the Taamine Iktissadi product range. We can run these operations sustainably because many of our fixed costs are covered by our broader insurance portfolio."

Inclusivity extends beyond serving the most vulnerable customers and should be woven into the entire insurance portfolio. A variety of product features and process innovations can enhance the inclusivity of insurance offerings in general. Examples from LBP (France) are given below.

Removing additional premiums or exclusions for vulnerable individuals:

Persons who have had breast cancer can subscribe to a credit life insurance product for real estate or professional projects without facing additional premiums or exclusions, and without the need to wait five years for their personal data to be erased.

Lowering minimum premiums for the term life standalone product and savings insurance:

Cachemire savings insurance policies are now available from 50 EUR/month (54 USD/month) with a 70 EUR (75.60 USD) initial investment.

Minimizing home and car insurance excesses.

Launching special coverage to support those facing difficult life circumstances:

"Family assistance" coverage has been launched to provide financial support to parents whose children are affected by illness or disability. This new benefit will be included in group borrower insurance policies and will cover up to 50% of monthly mortgage payments for up to 28 months. LBP also offers affordable daily life accident coverage (starting from 12 EUR/month (13 USD/month)), with a dedicated subscription offer for single-parent families.

Offering dedicated assistance services for caregivers through the CNP Assurances subsidiary Filassistance.

Strengthening customer support to help clients to navigate their financial needs:

L'Appui (Support) is a free and confidential service that provides financial support to help clients to prevent or address financial difficulties and manage recurring or occasional budgetary challenges.

Using plain language to ensure that contracts and marketing material are accessible and comprehensible for the target audience.

Incorporating social inclusion objectives into by-laws ensures that financial inclusivity remains a strategic priority, with appropriate KPIs enabling monitoring over time. LBP became a mission-led company under the French Law on Business Growth and Transformation, as approved by its general shareholders in 2022, putting social and environmental targets at the heart of its governance.

Effectively operationalizing an inclusive mission requires dedicated resources and strong governance.

Specialized teams, such as LBP's Vulnerable Populations Department, play a useful role in designing accessible protection solutions for underserved groups.

SECTION 4

HOW GOVERNMENTS, INSURANCE REGULATORS AND FUNDERS CAN FOSTER POSTAL INCLUSIVE INSURANCE

This section sets out recommendations for three key players – governments, regulators and funders – to accelerate the development of inclusive insurance through Posts. These recommendations are based on observations from the case studies documented in this report, insights gained from interviews with subject matter experts, and strategic discussions with postal leaders, insurers and the UPU.

GOVERNMENTS

Governments can serve as powerful catalysts in accelerating the development of postal inclusive insurance, through the following five key actions:

1 Framing insurance as a pillar of national financial inclusion strategies

One key lever for governments is to systematically integrate inclusive insurance into their national financial inclusion plans, recognizing its potential to deliver financial protection to underserved populations.

In Morocco, the government's extensive promotion of the goals in its national strategy for financial inclusion underpinned calls for action for the public and private sectors. The central bank and the insurance regulator have introduced policy measures aimed at increasing access to insurance for underserved populations. These measures include allowing banks and payment institutions to distribute insurance, reducing taxes, setting inclusive insurance targets for the executive management of Posts and postal banks, introducing compulsory health insurance, and providing specific guidelines on inclusive insurance. The push by the government has also strengthened the commitment of Al Barid Bank and Wafa Assurance to deliver microinsurance at scale.

In Brazil, the government recently ramped up its efforts to promote financial inclusion and has commissioned a dedicated working group to that end. The group, which includes customer representatives, ministries, retail market players, insurance

companies, brokers and the insurance regulator, has been tasked with analyzing the needs of low-income customers and improving their access to insurance.

Indonesia's financial services authorities are tailoring their financial inclusion strategies to the needs of specific target groups and communities. The overarching aim is to develop microinsurance solutions to cover the specific risks of 10 customer segments.

Governments can directly mandate Posts to achieve financial inclusion targets and embed financial inclusion in their strategies. This has been the case for the most successful postal inclusive insurance models, e.g. in Morocco and France. In Egypt, to contribute to national financial inclusion goals, the Post has appointed a chairperson for financial inclusion, who played a key role in establishing the recent microinsurance joint venture with AXA.

As part of financial inclusion plans, governments can financially compensate Posts and postal banks for providing support to vulnerable populations. This is the case in France, where LBP receives compensation from the French state for its role in implementing the national banking accessibility programme.

2 Partnering with Posts to distribute government insurance or related social benefits

In Indonesia, 99% of Pos Indonesia's microinsurance sales are accounted for by its distribution of the government's microinsurance for independent workers. In India, the ASSY insurance scheme launched by the Chief Minister of Gujarat and the Minister of State for Communications accounted for more than 367000 policy sales for IPPB within two months of the launch, surpassing the initial target. These partnerships not only extend coverage to new segments of emerging customers, but also help Posts to reach the break-even point in their insurance models.

3 Distributing insurance to public employees through Posts

For many years, India Post provided insurance to postal staff exclusively, before extending coverage to include public employees, and then private sector employees. This approach has contributed to India Post's success in scaling its insurance activities, which now represent 10% of its overall revenue.

4 Financing and co-organizing insurance and financial literacy campaigns with Posts

Awareness and educational campaigns often represent significant investments. Yet, as the Financial Services Authority of Indonesia (Otoritas Jasa Keuangan – OJK) stated: *"Financial education and distribution network improvements must go hand-in-hand if a country wants to increase the penetration of inclusive insurance. We work on increasing financial literacy with local government bodies and have already covered 93% of all regions in Indonesia."* Awareness campaigns can take various forms, from above-the-line media, such as TV or radio, to supporting Posts in local awareness-raising efforts. The direct involvement of key public figures, such as the Prime Minister of India, can provide a strong boost to these campaigns.

5 Encouraging Posts to adapt their governance and culture

can help them to successfully transform their models, diversify their activities and compete with agile private players. For instance, in Morocco, making Al Barid Bank a state-owned public limited company was crucial in enabling it to make cultural and organizational changes, including revamping its performance management system and recruiting former leaders of private banks and insurance companies to support its transformation. Cultural and organizational changes might also be necessary to effectively incentivize postal agents or adapt the operating hours of postal outlets.



INSURANCE REGULATORS

Regulators can take a number of steps to create a more enabling environment for postal inclusive insurance, including creating scaling opportunities, while protecting customers.

1 Introducing dedicated regulations for inclusive insurance to facilitate and accelerate the development of microinsurance offerings:

These regulations could:

- Allow microinsurance products to be subscribed to and paid for digitally;
- Allow distribution through mobile network operators, Posts and payment banks;
- Reduce capital requirements, thereby facilitating the emergence of new inclusive insurance specialists;
- Simplify and accelerate the approval process for microinsurance products;
- Adapt the eligibility criteria and training requirements for sales agents to microinsurance;
- Reduce taxes on microinsurance;
- Simplify know-your-customer requirements for microinsurance.

Allowing digital signatures is important in order to accelerate sales of inclusive insurance. Yet it must be monitored carefully, as the risk of mis-selling or fraud is higher, especially as inclusive insurance products are sold to vulnerable clients, including first-time insurance customers. If digital signatures are implemented, brochures or, if possible, insurance tickets containing the main policy information should systematically be made available to customers. Additionally, sufficient information should be sent via e-mail or SMS, potentially multiple times, to ensure clarity and accessibility.

Ensuring that consumer protection rules are neither too lax nor too restrictive, including rules on who can sell inclusive insurance. While regulations on training requirements for sales agents can help to prevent mis-selling, a number of practitioners from different countries reported that authorization processes for agents could be significantly streamlined, potentially through automation.

Most countries in our sample have introduced specific regulations:

Brazil: In 2012, the Office of the Superintendent for Private Insurance (SUSEP) issued a number of circulars setting out the framework conditions for microinsurance activities. In the same year, the Central Bank of Brazil published its National Partnership for Financial Inclusion. In 2021, a new microinsurance regulation was issued for policies developed and structured for the low-income population, individual microentrepreneurs and micro and small businesses.²⁹

India: The Insurance Regulatory and Development Authority of India first introduced microinsurance regulations in 2005. The current regulations date from 2015.

Indonesia: Two main circulars form the regulatory framework for microinsurance: the 2015 circular on insurance and marketing of insurance products (which also defines microinsurance), and the 2017 circular on microinsurance and microinsurance marketing channels.

Morocco: The insurance regulator has recently published a guide on inclusive insurance contracts, detailing which types of product qualify as inclusive insurance and what their (maximum) annual premiums can be.³⁰ In October 2021, takaful (sharia-compliant) insurance was launched to accommodate a population group that had been waiting for an alternative to conventional products. Furthermore, the regulator recently authorized payment institutions to distribute inclusive insurance.

Tanzania: The Tanzania Insurance Regulatory Authority (TIRA) issued inclusive insurance regulations in 2013.

Egypt: A new insurance law enacted in July 2024 provided for the establishment of standalone microinsurance companies that can sell both life and non-life products (traditional insurance companies can sell only life or only non-life insurance), with lower capital requirements. Another law provides for the electronic issuance of insurance for which Egypt Post has emerged as one of the country's biggest distributors.

²⁹ <https://a2ii.org/en/map>

³⁰ <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewilrd6949mJAxUKdqQEHTp4LVgQFnoECBgQAQ&url=https%3A%2F%2Fwww.bkam.ma%2Ffr%2Fcontent%2Fdownload%2F775636%2F8670507%2FNSNIF%25202021%2520VF.pdf&usq=AOvWaw2a4fTs5YofnDF7VDlcRIM&opi=89978449> (in French).

2 Launching regulatory sandboxes for testing new and innovative inclusive insurance models:

A number of regulators have introduced sandboxes to create a more favourable environment for innovation:

Brazil: The sandbox introduced by SUSEP allows companies to test new inclusive or innovative insurance products and services under less restrictive regulations for up to 36 months. SUSEP selects companies based on their proposals and closely monitors them during the testing period to ensure consumer protection. Successful products may be granted permanent licences, while others may require adjustment or be deemed unsuitable and discontinued.

Indonesia: The regulator introduced a sandbox programme to foster the development of new digital finance models for financial inclusion. The programme includes a specific licence for “digital brokers leveraging technology”, lowers capital and governance requirements and provides guidance and support for participants.

3 Allowing Posts the flexibility to choose the most appropriate licence (e.g. agent or broker) for their target business insurance model:

Posts could collaborate with one or more insurance partners, and, once they have enough capital and experience, might even wish to create a legal entity of their own to bear the full insurance risk. Which licence is most appropriate might change over time. Posts could start with a single inclusive insurance partner that is fully committed to supporting their transformation and service diversification, and then engage more partners to allow them to cover a broader geographical area and further diversify their portfolios. Flexible licensing would allow Posts to select the most relevant option for their needs and opportunities.

4 Promoting claims declarations and payments:

The payment of claims is where the real value lies for customers. Regulators could make additional reporting mandatory and ask insurance companies to cross-reference databases to identify claims that have not been paid to beneficiaries of deceased clients, particularly where the database is public, such as that of the National Institute of Statistics and Economic Studies of France. In France, in compliance with the Eckert Law of 2016, banking institutions and insurance companies are required to diligently track and report annually on escheat contracts and conduct searches to identify beneficiaries. Maintaining a digital national registry of deaths is also key to helping insurance companies to detect undeclared term life claims. Legal requirements regarding the submission of microinsurance claim documents should be minimal and allow for digital submission (e.g. through WhatsApp). The delegation of claim payments to insurance distribution partners, notably Posts, should also be legally permitted.



PUBLIC AND PRIVATE FUNDERS

Funders can play a key role in fostering inclusive insurance, in particular through the following opportunities identified during our research:

1 Funding technical assistance for Posts that are willing to launch or scale up inclusive insurance operations:

Funders could support individual initiatives or join forces with Posts through a technical assistance facility, leveraging synergies in knowledge and resources across multiple countries. Opportunities for support cover a range of areas, including those outlined below.

Training top and middle management in postal organizations to strengthen inclusive insurance capabilities. Such training could cover basic to advanced insurance concepts (e.g. actuarial science, underwriting) and could be delivered by experienced postal staff from other countries or subject-matter experts. As the CEO of an insurance company explains: "Funders could support education and training for mid-management, especially where politics is involved. It's about raising awareness and showcasing best practices. Funders should focus on permanent mid-management staff in Posts and invest in their development."

Sponsoring research on needs assessments and product design, for instance through customer surveys or focus groups, in order to:

- evaluate essential protection gaps among vulnerable population segments and test relevant value propositions;

- explore ways to make traditional insurance models more inclusive, potentially in collaboration with a consortium of insurers.

Funding the design and production of marketing and awareness materials, such as brochures, posters and video spots, and leveraging global best practices in building awareness of inclusive insurance.

Financing the development of insurance information systems, either by updating existing postal systems or by acquiring new, dedicated software. The idea of creating a universal tool, i.e. one that could be used in multiple or all geographic areas, is generally considered inappropriate by most practitioners, given the significant differences across markets.

Supporting the focus on claims, for instance by agreeing on minimum claims ratios or rolling out claim campaigns to meet targets.

2 Supporting advocacy and peer exchanges in the area of postal inclusive insurance:

As an inclusive insurance expert from Côte d'Ivoire explains: "Postal insurance should be promoted to decision makers in the country by highlighting its social utility, its potential to generate revenue and its feasibility, showing that a fair share of the risks will be borne by insurers". Advocacy depends on policy papers, dissemination efforts, conferences and peer-to-peer exchanges, for which private or philanthropic funding could be a critical enabler.

3 De-risking the launch of postal inclusive insurance through catalytic funding:

Even with technical assistance, setting up operations or launching a pilot might be considered too risky or costly for Posts that have other priorities, and might also lack public support. Direct funding at the experimentation stage could be a trigger for more Posts to venture into inclusive insurance.

DETAILED CASE STUDIES

AL BARID BANK AND BARID CASH (MOROCCO)

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

Financial inclusion has been a strategic priority for the Moroccan authorities for decades, allowing the number of bank accounts as a percentage of the population to increase from 34% in 2004 to 78% in 2020.^{31, 32} Some 53% of the population had at least one bank account as of 2022.³³ Insurance penetration in the country (ratio of premiums to GDP) grew from 2.8% in 2010 to 3.9% in 2021.³⁴

In 2016, a national strategy for financial inclusion³⁵ was launched by the Ministry of Finance and Bank Al Maghrib³⁶ to coordinate the actions and efforts of all actors in the financial ecosystem. Inclusive insurance is a key component of this strategy. The market's needs were assessed in 2019³⁷ and eight main target groups, representing 80% of the Moroccan population, were identified: unemployed people, people aged under 25 years, people aged over 65 years, housewives, low-income households, informal sector employees, rural populations, especially farmers, and very small businesses. The insurance needs of these groups include

health, death, accident and unemployment coverage.

The four main barriers to accessing that coverage are financial vulnerability, inadequacy of existing offerings, limited financial education, and religious convictions. In 2022, a dedicated inclusive insurance regulation was established by the Moroccan supervisory authority for insurance and social security (*Autorité de Contrôle des Assurances et de la Prévoyance Sociale – ACAPS*).³⁸ It notably fixes the range of annual premiums at 20 to 40 USD,^{39, 40} depending on the product category, and enables payment service providers (or payment institutions) to distribute inclusive insurance products.

Historical vision and strategy for the Post

Al Barid Bank was created in 2008 as the banking subsidiary of Barid Al Maghrib.⁴¹ Today, while Al Barid Bank branches provide postal services, 90% of their operations are accounted for by financial services. Serving populations excluded from the traditional finance system is at the heart of the strategy of Al Barid Bank, which has banked 8.2 million people since its inception. Historically, the Post has offered simple financial services like postal chequing and savings accounts, and the first inclusive insurance product was launched well before the bank's creation, in the early 2000s.

In 2014, Al Barid Bank launched Barid Cash, a subsidiary specializing in money transfers, which was accorded the

31 Study on the competitiveness of the banking sector by the Moroccan Competition Council (in French).

32 Morning brief of 5 February 2021, Attjariwafa Bank (in French).

33 Statistics on bank accounts, December 2022, Bank Al-Maghrib (in French).

34 Report on the insurance sector for the 2021 financial year, ACAPS (in French).

35 The strategy defines financial inclusion as: "Equitable access for all individuals and businesses to formal financial products and services (transactions, payments, savings, financing and insurance) for use according to their needs and means, in order to promote economic and social inclusion while preserving their rights and dignity."

36 Morocco's central bank

37 National assessment of the development of inclusive insurance in Morocco, 2019, Développement International Desjardins (in French).

38 ACAPS pamphlet on inclusive insurance (in French).

39 Assuming an exchange rate of 1 USD = 10 MAD.

40 Excluding savings/capitalization products, which can have a maximum annual premium of approx. 1,000 USD. See national financial inclusion strategy, 2021 (in French).

41 The Moroccan Post.



تأمين هبة

إبتداء من 125 درهم في العام
تأمين يضمن رأسمال لابنائكم
في حالة وفاة المؤمن.

التأمين الإقتصادي
بضمانة تأمين الوفاء

080 200 32 32
/albaridbankofficiel

تأمين رضا

إبتداء من 125 درهم في العام
تأمين يضمن مدخول شهري للوالدين في حالة وفاة المؤمن.

التأمين الإقتصادي
بضمانة تأمين الوفاء

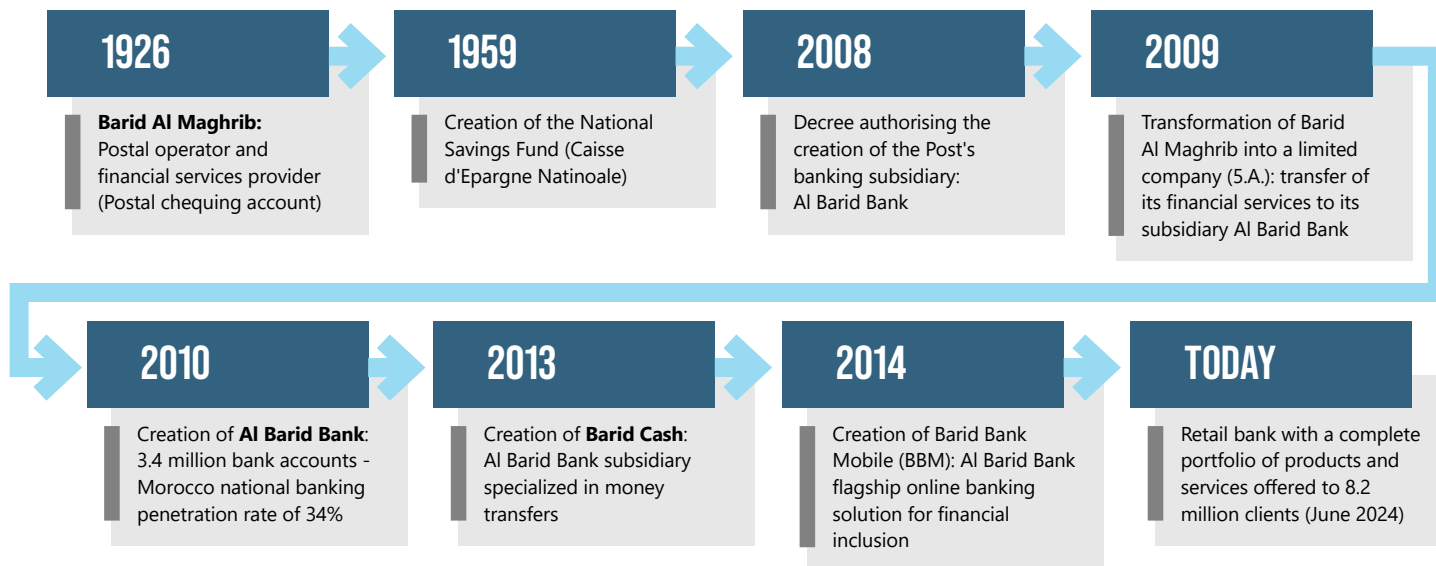
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التأمين لكل المغاربة

حرمه هبة رضا شفاء

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Milestones



status of a payment institution in 2018 by Bank Al Maghrib. Today, Barid Cash offers national and international money transfers, payment accounts and services on behalf of third parties (e.g. the government, water and electricity companies, etc.), particularly in working class urban neighbourhoods, with extended opening hours (until 20.00, including on Saturdays). Barid Cash launched its own inclusive insurance offering in June 2024, after being authorized by the regulator in 2022 to distribute inclusive insurance. The objective was threefold: to diversify its product range, to develop a new source of revenue and to increase client retention. Al Barid Bank and Barid Cash complement one another, with Barid Cash's insurance offerings targeted at base-of-the-pyramid clients, over 90% of whom do not have a traditional bank account.⁴²

While the exact path for post offices to deliver inclusive insurance can differ according to geography, Al Barid Bank's gradual transformation from providing basic financial and banking services to offering insurance products has been key to its success. To quote the Managing Director: *"Posts cannot develop insurance without an existing culture of financial services."*

Key stakeholders

Al Barid Bank's key partner in developing inclusive insurance is Wafa Assurance,⁴³ which is the insurance sector leader in Morocco, with 19.7% market share (life and non-life) as of 2023⁴⁴. Insurance inclusion is also part of Wafa Assurance's mission, in accordance with the national strategy for financial inclusion. Wafa Assurance is indirectly and partially owned by the Moroccan royal family's holding company.

Barid Cash partners with the National Pension and Insurance Fund of Morocco (Caisse Nationale de Retraites et d'Assurances – CNRA) and the insurance company AtlantaSanad under a tripartite agreement.

⁴² According to Barid Cash's management team.

⁴³ Wafa Assurance is a subsidiary of Attijariwafa bank group, of which the Al Mada group is a primary shareholder (46.5% share).

⁴⁴ Moroccan Insurance Federation: <https://fma.org.ma/wp-content/uploads/2024/04/Chiffres-cles-2023.pdf> (in French).

OUTCOMES

Scale

As of 2024, Al Barid Bank is the first inclusive insurance distributor in the country, with over 50% market share for standalone inclusive insurance in terms of number of insured lives.⁴⁵ The bank manages around 400,000 active inclusive insurance contracts, increasing at a rate of about 12.5% yearly. With premiums directly collected from bank accounts for annual renewal, Al Barid Bank has achieved an impressive inclusive insurance renewal rate of 90%.⁴⁶

Social impact

Access to insurance: The vast majority of Al Barid Bank and Barid Cash insurance clients had never subscribed to an insurance product before.

Effective payment of claims: While the assessment of claims is delegated to Al Barid Bank, the risk to the insurance company is minimal and almost all claims are accepted by the insurance company. Given the nature of inclusive insurance products, the number of claims remains manageable (under 500 claims/year).

Sustainability/financial outcomes:

Al Barid Bank: Inclusive insurance products represent 6% of total insurance premiums yet 28% in volume out of the 1.5 million insurance contracts in stock, among a portfolio of 8.2 million banking customers. With collected annual premiums of 2.5 million USD, inclusive insurance represents approximately 2% of Al Barid Bank's net banking income and around 5% of its retail banking revenue.

Al Barid Bank does not receive any public subsidies for its inclusive insurance activities.

Its principal costs in this area are related to human resources and are diluted in the overall payroll (Al Barid Bank does not have a specific profit/loss heading for inclusive insurance).

Wafa Assurance: Wafa Assurance's profit consists mainly of its technical result, as most of the management and commercial loadings⁴⁷ on premiums are transferred to Al Barid Bank. Covering Al Barid Bank inclusive insurance products also allows Wafa Assurance to manage the broader portfolio of all Al Barid Bank insurance products, to leverage the Al Barid Bank brand and gain expertise in inclusive insurance, which can then be used to develop new product lines within the group.

⁴⁵ Estimation based on primary information collected in interviews.

⁴⁶ Approximately 50% are collected on the first withdrawal attempt, with the remaining 40% collected via additional withdrawal attempts over a period of three months.

⁴⁷ Additional charges built into the insurance policy premium for clients, covering administrative costs and other expenses.

BUSINESS AND OPERATING MODEL

Products

The annual premiums of inclusive insurance products range from six to 26 USD; however, most of Al Barid Bank's insurance products aim to serve low-income customers. Al Barid Bank positions itself as a bank with a universal service mandate, including people on low and irregular incomes.

Al Barid Bank's inclusive insurance products (regulated by the amendment to the Insurance Act of 21 July 2022, relating to inclusive insurance)

	Risk covered	Annual premium	Insured amount
TAAMINE RAHMA	Death, any cause	6, 9.5, or 13 USD	1,000, 1,500 or 2,000 USD (lump sum)
TAAMINE REDA	Death or invalidity, any cause	12.50 or 26 USD	200 USD per quarter for two years or 300 USD per quarter for three years
TAAMINE CHIFAA	Hospitalization following accident or disease	11 or 22 USD	10 USD per hospitalization day (max 300 USD) or 20 USD per hospitalization day (max 500 USD)
TAAMINE HIBA	Death, any cause	12.50 or 22.50 USD	1,500 USD or 3,000 USD (lump sum)

Taamine Rahma represents 95% of Al Barid Bank's inclusive insurance portfolio, which reflects the price sensitivity of Al Barid Bank clients (this product is the cheapest of the portfolio) and the clients' interest in protecting their family and covering funeral expenses.

Through its new non-life insurance brokerage subsidiary, Al Barid Bank plans to launch non-life inclusive insurance, including multi-risk insurance products bundled with payment cards and home and professional loans – based on its thorough analysis of market needs on the one hand, and its willingness to

further serve professional clients on the other hand. Barid Cash recently piloted its own inclusive insurance offering (similar to Al Barid Bank's) in June 2024, offering three products at 60 agencies: a funeral insurance policy (annual premium: 4.50–11 USD; payout: 500–2,000 USD); a hospitalization insurance policy (annual premium: 8–27 USD; payout: 10–40 USD for each day of hospitalization); and a savings-linked insurance product. The insurance partners are AtlantaSanad for the funeral and hospitalization products and CNRA for the savings product. These offerings are slightly cheaper than those of Al Barid Bank and target a comparatively lower-income clientele.

Clients

A total of 87% of the client portfolio is considered as mass market by Al Barid Bank, meaning clients with savings of below 2,000 USD and monthly credit in their bank accounts of below 450 USD. In total, 60% of clients live in peri-urban or rural locations, 40% are women and 35% are young people (18–25 years old). Known as the “bank of parents and grandparents”, Al Barid Bank is trying to address the youth segment by developing digital offerings and through dedicated branding and communication.

Since its inception in 2014, Barid Cash has enabled access to payment accounts for around 1.5 million people.

Capabilities

Al Barid Bank has 946 fixed agencies and 20 motorized mobile agencies covering underserved areas and/or high-traffic areas like food markets. The agencies are assets of the Post and rented by Al Barid Bank. Al Barid Bank offers life insurance under its banking licence and has started to distribute non-life insurance solutions under its recently acquired brokerage licence. Two thirds of all Al Barid Bank outlets are located in rural areas.

Barid Cash comprises 1,280 agencies, of which two thirds are franchised. Barid Cash clients can also use Al Barid Bank's agencies to execute transactions. A third of Barid Cash's outlets are in rural areas.

Partnership

Wafa Assurance has been the sole insurance partner of Al Barid Bank since the launch of its inclusive insurance offering. However, Al Barid Bank launches a call for proposals every five years to renew its sole insurance partner. The next call is planned in 2026. Wafa Assurance is currently developing its own inclusive insurance offering, with products very similar to those distributed via Al Barid Bank, and with similar sales volumes expected by 2025. While Al Barid Bank directly handles subscriptions, claims payments and client relationships, Wafa Assurance is actively involved in supporting operations.

Operations

Subscriptions

All inclusive insurance subscriptions are voluntary and are not sold in packages with other (financial) services. Currently, most clients subscribe to insurance at the time of opening of a bank account or during weekly two-day sales challenges. All sales are made in person at agencies: there are no digital, remote subscriptions, as the regulator does not yet allow digital client signatures for inclusive insurance policies. The best-performing agencies claim to achieve a very high sales conversation rate of over 80% of targeted customers.

The documentation required to subscribe to an insurance product is limited to an ID card. There are no medical selections for any inclusive insurance product. However, customers must have an Al Barid Bank account in order to buy insurance.

Subscriptions to Barid Cash inclusive insurance are also performed in person at the 60 pilot agencies, with a view to gradually scaling the offering to 1,000 agencies.

Premium collections

Premiums are collected annually by Wafa Assurance from the client's Al Barid Bank account, upon subscription and on the renewal date. The success rate for premium collections stands at over 90%, which is far above the collection rates usually achieved by mobile network operators.

For Barid Cash inclusive insurance, premium collections are also annual, yet with a far lower expected collection rate at renewal due to the clients' socio-economic profile and their tendency to keep zero balance in their payment accounts (compared with traditional bank accounts).

Claims validation and payment

The documents required for claims are minimal: a death certificate or a hospitalization certificate and invoice, together with a copy of the beneficiary's ID card, depending on the product. Claim validation is delegated to Al Barid Bank branch employees, with second-level control by the agency manager. Claims are paid immediately, provided that the documentation is complete. Wafa Assurance verifies all claim payments a posteriori.

Since Barid Cash operates under a franchise model with external agents, insurance claims are verified by the insurance partner before disbursement. Regardless, Barid Cash aims to pay claims within 48 hours in its first year of inclusive insurance activity.

After-sales service and quality control

One person within the Al Barid Bank back-office team manages client relationships for both the inclusive insurance and the wider insurance portfolios, liaising in parallel with the Wafa Assurance back office. Client complaints or enquiries are reported to be very rare, besides redemption requests for traditional savings-linked insurance products. Staff dedicated to customer satisfaction will be reinforced with the launch of Al Barid Bank's insurance brokerage subsidiary. Quality control of sales and client satisfaction surveys are currently limited and are not systematic. As one sales executive noted: "Word of mouth is very strong in peri-urban and rural areas. If a single client is disappointed, you can say goodbye to all other clients in the locality. The opposite is just as true."

Information systems and digital tools

Wafa Assurance has provided Al Barid Bank agents with a dedicated extranet to manage subscriptions to all Al Barid Bank insurance products, including inclusive insurance. An API allows users of this insurance platform to retrieve client data from the core banking system upon subscription. There is no mobile insurance activity (Al Barid Bank's mobile application is not used for insurance).

Barid Cash manages its inclusive insurance contracts through a proprietary information system that is connected to its two partners' information systems using APIs. The partners' information systems are used only by the front office of the payment bank to print policies.

Marketing

All direct marketing costs, accounting for 10–15% of annual premiums, are covered by Wafa Assurance. These include gift vouchers for agents during sales challenges, communication campaigns, goodies and marketing documents (mainly brochures describing inclusive insurance products, displayed at the counters of sales agents and tellers). In addition, Al Barid Bank co-organizes and co-finances financial inclusion initiatives, including radio and TV campaigns, in partnership with the central bank's financial education institute, NGOs and other actors.

Barid Cash is currently deploying a two-stage marketing campaign. During the first stage, posters have been displayed in agencies to advertise the launch of inclusive insurance to visiting customers, a press release has been issued and a dedicated website has been built. In the second stage, once the offering has been launched, social media, radio and TV campaigns will be rolled out to all agencies.

Sales organization

At Al Barid Bank, all sales agents and agency directors are able to sell insurance. Insurance and inclusive insurance sales targets are set yearly by Al Barid Bank and Wafa Assurance, with the current target being set at 50,000 net additional contracts per year (80,000 new contracts and 30,000 churned contracts). Sales are monitored daily by Al Barid Bank and Wafa Assurance. Agencies visited for this case study hold daily briefings to review objectives and performance. Actual sales volumes vary significantly across Al Barid Bank's agencies, and, where a given agency is underperforming, additional support and training are provided by an Al Barid Bank representative or one of 12 dedicated sales supervisors from Wafa Assurance.

During short-term sales challenges, which are organized weekly, all sales agents are motivated to reach specific targets in a two-day time frame.

Longer-term sales challenges are also held one to three times a year. They usually last a couple of months and are organized around key sales periods such as Ramadan.

Sales agents are incentivized in two ways:

A quarterly bonus paid by Al Barid Bank to staff based on their sales performance (for all Al Barid Bank products and not just insurance). Weekly short-term objectives make up quarterly targets, the attainment of which unlocks these incentives. Although no additional commission is paid for products sold during these two days per week, the short-term sales challenges create emulation among agencies by providing them with a live ranking of all agencies every two hours.

Gift vouchers financed by Wafa Assurance, based on staff performance during the longer-term sales challenges.

Barid Cash commercial agents are expected to sell inclusive insurance mostly at the time of opening a payment account and at the end of the month, when salaries are paid. There are plans to present offerings to clients over the phone, although subscriptions will need to be finalized in person at an agency.

SWOT ANALYSIS OF THE BUSINESS AND OPERATING MODEL

STRENGTHS

Strong brand and standing as a public service provider, trusted by citizens

Ability to collect premiums directly from clients' bank accounts

Strong sales organization

Ability to serve all regions of the country (946 local agencies)

Strong insurance partner, providing contract management software and marketing and sales support in addition to underwriting the risk

Financial payment subsidiary (Barid Cash) to serve base-of-the-pyramid customers whose income is not sufficient to open a bank account

Ability to distribute life insurance products under its banking licence and non-life insurance products under a brokerage licence

Strong commitment to financial inclusion from operational teams, top management and government institutions

Limited company status strengthens Al Barid Bank's position in a competitive market, allowing it to operate less like a traditional government institution and more like a private sector player, with commercial targets, delegation of decision-making authority, recruitment goals (e.g. employment of former private bankers), performance bonuses, continuous training, etc.

Near-exclusive right to distribute state social benefits, leading to increased banking and insurance client acquisition

OPPORTUNITIES

National strategy for financial inclusion as a key enabler of inclusive insurance development

Ability to disburse claims for multiple insurance players (through Al Barid Bank and/or Barid Cash) in rural areas

Potential future authorization of digital signatures to allow remote sales

Existing mobile banking application with 2.8 million users, which can be leveraged to sell insurance as soon as regulations permit

Development of new products and focus on specific customer segments

Takaful (sharia-compliant) insurance

Wafa Assurance to extend the inclusive insurance model to other countries where the group has subsidiaries

WEAKNESSES

Low claims ratios, which could undermine the product's social impact and public perception of the brand

Quality control and client satisfaction could be better

Lack of client segmentation, making it difficult to meet specific needs

Most inclusive insurance sales are made at a limited number of top-performing agencies

Limited economic value of inclusive insurance products to insurance partners, compared to their overall portfolio

THREATS

Low purchasing power of target populations

Limited public trust in insurance

Alternative informal protection solutions, e.g. tontines

Increasing competition from other private sector distribution channels for inclusive insurance, such as payment institutions and mobile network operators (although this is beneficial for the national strategic plan for financial inclusion)

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

- 1 The immediate payment of compensation** (upon simple presentation of a death certificate and ID) **has been essential to the commercial success of Al Barid Bank's inclusive insurance** (funeral products). Since the insurer delegated the validation of claims to postal bank agents, fraud and errors have remained minimal. This requires the insurance partner to trust the postal bank's front office in checking the validity of claims and to accept some discrepancies in the first year of operations. This is facilitated by a simple claims process (with limited documentation required), which seems acceptable considering the low claims ratio.
- 2 The simplicity and affordability of products, their relevance in the local cultural context, and the level of trust in Al Barid Bank have enabled a very high sales conversation rate** (over 80% of targeted customers at the best-performing agencies), despite these products being sold on a voluntary (standalone) basis to clients who, for the most part, have never previously bought insurance. Marketing teams need to be focused on the products' simplicity, adaptation to local needs and multiple pricing levels in order to address the most underserved segments. Focus groups with both prospective clients and sales agents are key in identifying clients' essential coverage needs and willingness to pay. Products should be simplified to the maximum extent possible (e.g. cover, exclusions).
- 3 The systematic association of insurance products with bank accounts**, with direct debit of premiums and tacit renewal from one year to the next, also **enabled Al Barid Bank to achieve its renewal rate of over 90% for inclusive insurance contracts**. Repeated collection attempts are sometimes necessary, notably when customers leave zero balance in their accounts.
- 4 A significant marketing budget is required** (six-digit figure, equating to more than 10% of premiums), with the most successful campaigns being focused on compensation. Al Barid Bank and its insurance partner carried out investigations to identify beneficiaries who had not claimed, and filmed video clips of them discovering the benefits they were eligible for. The clips were broadcast on TV and social networks and proved very successful (reaching over 25 million viewers).
- 5 Proactive use of Al Barid Bank's commercial network**, including closely and frequently monitoring sales performance and implementing corrective actions, has also been critical. The bank's sales agents generate about three quarters of total inclusive insurance sales on the 75 days of the year when they have specific targets and incentives (in other words, they make five times more sales on those days). Targets are set based on the size and location of the agencies and the socio-professional categories of their clients. During sales challenges, all agencies receive performance updates (including a national ranking for each agency) every two hours. Sales performance management needs to be as strong as for any other business line (including sales targets, daily briefings, sales challenges, incentive system, top management monthly reviews, etc.). The saying that insurance is sold and not bought definitely applies to inclusive insurance.
- 6** Although almost half a million inclusive insurance contracts have been sold since the product was launched, **the revenue from those sales is not significant in absolute terms for Al Barid Bank and its partner**, due to low premiums. Indeed, inclusive insurance represents less than 10% of all insurance revenue and less than 2% of the net banking income of Al Barid Bank. The underlying social and inclusive mission must be supported at all hierarchical levels, and fully embedded in top management's strategic objectives.
- 7 Postal banks' valuable assets must be leveraged to distribute inclusive insurance products, but it takes time and complementary talents to transform a postal model.** For Al Barid Bank, this transformation has been a 20-year journey, beginning even before the official creation of the postal bank, and is not yet complete. Al Barid Bank's unique assets include its brand trust capital; its agents' intimate knowledge of its clients, which can be leveraged to identify prospects, target the right insurance products at the right customers and cross-check for unclaimed benefits; and its privileged position as a provider of government services to clients.
- 8 The scale reached by Al Barid Bank is largely thanks to the strong commitment of its insurance partner Wafa Assurance**, which has provided active support in sales and marketing (financial and in-kind contributions), built a relevant information system and stood ready to innovate and take new risks (new customer segments, delegation of claims management to multi-service agents, product simplification, etc.).

9 The **strong policy measures** taken by the central bank and insurance regulator, as part of the national strategy for financial inclusion, have been **instrumental in increasing access to insurance for underserved populations**. These measures include allowing banks and payment institutions to distribute insurance products, limiting taxes, incorporating inclusive insurance targets into Posts' or postal banks' top management objectives, introducing compulsory health insurance to be complemented by private insurance, and producing specific guidelines on inclusive insurance.

3 **Maintaining the commitment of all stakeholders over time remains a challenge that needs to be anticipated**, especially for customers of the inclusive insurance product line who bring little economic benefit. To maintain stakeholders' commitments, several levers can be activated, such as contractualization of quantitative objectives, calls to action from government authorities, communication of results achieved, engagement of middle management, and establishment of an impact board.

4 **Regulatory approval of digital signatures would facilitate remote subscriptions and renewals (including via call centres) and therefore widen access to inclusive insurance throughout the country**. This would be dependent on strong cyber-security infrastructure and measures to mitigate the risk of bad sales, especially where inclusive insurance products are offered to clients with low literacy levels.

FUTURE GROWTH DRIVERS

1 **Claims payments (and related communication) are the most critical success factor**. Increasing the claims ratio is key to maintaining public trust and developing national awareness of the benefits of insurance coverage. Posts can play a key role in fostering claims for all insurance players, and in increasing interest in insurance nationally. The claims ratio is the first indicator of the Post's success in raising awareness of insurance among its customers, and of the utility of its insurance products to customers. Fostering claims and providing information about claims payments is a particularly powerful way of increasing subscription numbers and raising awareness of insurance. For example, recordings of the testimonies of claim beneficiaries, who agents contacted after noticing claim events in the bank's database without insurance claim declarations, made insurance benefits more visible to 25 million Moroccans.

2 **Public trust is a key strategic asset for Posts and postal banks, yet it can be damaged in an instant in the case of an inclusive insurance failure. Quality control is strategic**. Closely monitoring quality is necessary to ensure that reputational risk is mitigated and trust in the brand can be maintained, even beyond inclusive insurance offerings. Quality control could consist of monthly surveys of clients to gauge their understanding of products. It needs to be rigorous where some outlets are run on a franchising model.

DETAILED CASE STUDIES

TANZANIA POSTS CORPORATION

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

In 2021, Tanzania had a population of 61.5 million and GDP growth of 4.3%. The country graduated to lower-middle income status in July 2020, with approximately 28% of the population living below the nationally determined poverty line. In 2020, 23% of the adult population (aged 15 years and above) had an account with a financial institution, while 45% had a mobile money account. 48 The Financial Sector Development Master Plan 2020–2030 was rolled out by the government to significantly increase financial inclusion, including insurance inclusion. It includes objectives for 50% of the adult population to be able to access and use insurance services, 90% of the population to have health insurance, and 10% of total insurance premiums to be contributed by agriculture insurance by 2030. In 2013, TIRA established dedicated microinsurance regulations, and in 2019, the Bancassurance Guidelines for Banks and Financial Institutions, established by TIRA and the Bank of Tanzania, enabled banks to distribute insurance.

Government departments, non-governmental organizations and private companies agree that the population's main protection needs are in the areas of health, agriculture (which accounted for 26% of GDP in 2021 and employed 65% of the population in 2019), small businesses, property and travel. Life insurance accounted for only 18% of insurance premiums in 2021, as the population often relies on informal community support in the event of a death. In 2021, Tanzania had 26 general insurers, two reinsurers and five life insurers.

Despite an enabling legal environment, inclusive insurance has not taken off and accounted for only 77,000 policies sold in 2021. Three consortiums provided most microinsurance solutions: MicroNsure and Acclavia; Jubilee Allianz, Acre Africa and Tan Management Insurance; and Tigo and BIMA MILVIK, which resumed operations in 2023. Various reasons have been cited for this situation, including a lack of profitable models for local actors seeking to cover the population's needs; a lack of public awareness of, or trust in, insurance; a lack of insurance expertise; a lack of research on the national insurance sector; a lack of technical knowledge of microinsurance; and a lack of data on disaster risks.

Historical vision and strategy for the Post

Tanzania Posts Corporation (TPC) first considered its potential role in increasing insurance penetration in Tanzania more than 15 years ago. With a view to transforming its traditional postal mail model and diversifying its activities, TPC launched two insurance products (motor and travel insurance) from 2009, initially working as an agent for the national public insurance company NIC. In 2023, at the request of the regulator, it applied for and obtained a brokerage licence to develop partnerships with multiple insurance companies. TPC's overall role includes supporting the penetration of insurance in the country. It is worth noting that TPC holds a minority (7%) stake in Tanzania Commercial Bank, formerly known as Tanzanian Postal Bank, a public institution in which the government is the majority shareholder. Tanzania Commercial Bank also provides non-life traditional insurance solutions, but these are outside the scope of this case study.

Milestones and key stakeholders

TPC's milestones so far in the insurance sector are as follows:

Launching its first insurance products as an agent for NIC, in 2009;

Obtaining its brokerage licence, in 2023;

Establishing new partnerships with Assemble and Jubilee Allianz in 2022 and 2023, respectively.

Although TPC's insurance activities are still in the early stages, an ambitious objective has been set to scale them up rapidly.

OUTCOMES

Scale

For NIC, a successful partnership goal would be to reach 1.85 million USD in annual premiums collected, which represents 4% of its current annual revenue through intermediaries. For Jubilee Allianz, the objective is to sell at least 100 policies per month, with a longer-term goal of reaching 1,000 policies per month.

The Commissioner of TIRA defines success for TPC as achieving the four following objectives:

1 Having an insurance brokerage in each postal branch;

2 Being recognized by the public and in the media for promoting insurance offerings;

3 Designing several new products (such as health and agriculture insurance) to be approved and sold;

4 Growing sales volumes faster than the industry average, targeting a compound annual growth rate of approximately 20% in premiums.

Social impact

Effective payment of claims: Only a few claims are paid annually. TPC partners commit to a claim payment turnaround time of 14 to 21 days, once the necessary documents have been received.

Sustainability/financial outcomes

For TPC, the economic impact of financial services, particularly insurance, is currently minimal, accounting for just 3% of its revenue. However, this impact is anticipated to grow significantly in the future. Insurance is TPC's fifth largest service among financial agency services (the first four being banking, Western Union, the National Examinations Council and MoneyGram) in terms of revenue.

The current volumes are insufficient for insurance partners to achieve a profitable model with TPC. Despite this, the insurers are keen to strengthen their partnerships with TPC owing to the Post's unique ability to access underserved rural areas.

TIRA has established maximum commission rates for agents and brokers across all types of insurance products, which are adhered to by TPC and its partners. These rates are 12.5% of the net premium for motor insurance and 17.5% of the net premium for travel insurance. By way of comparison, the commission on banking transactions charged by TPC is closer to 50%.



BUSINESS AND OPERATING MODEL

Products

Most of TPC's insurance sales are for motor insurance, and a few are for travel insurance. Both products are mandatory in Tanzania, for car owners and foreign visa applicants, respectively. These products fall under traditional general insurance and are not governed by the local microinsurance law.

In the future, TPC is considering expanding its non-life product offering to include health, fire and house, and carrier liability insurance. The target premiums for these products will align with those of the Tanzanian traditional insurance market.

It is worth noting that Jubilee Allianz currently provides Tanzanian farmers with crop microinsurance, outside the scope of its partnership with TPC.

Clients

TPC's current insurance clients are primarily individual car owners and corporates that provide company cars to their employees. These clients are not typically low-income customers and are mostly located in urban areas. NIC's motor insurance also covers over 100 vehicles from TPC's fleet.

Capabilities

TPC's network comprises approximately 250 branches, including 31 regional offices (at least one in each region) and 164 contractual post offices (offices that are typically managed by an individual on a freelance or contractual basis, who handles all services provided by TPC).

Initially, TPC distributed insurance as an agent for NIC. Following a request from the regulator, TPC obtained an insurance brokerage licence, enabling it to collaborate with multiple insurance partners.

In the coming years, TPC plans to launch three new subsidiaries to separately manage its logistics, micro-banking and insurance activities.

Partnership

Approximately 80% of TPC's insurance portfolio is covered by NIC, TPC's original public insurance partner since 2009. In recent years, TPC has also established partnerships with Jubilee Allianz and Assemble. NIC policies still dominate the portfolio. This is largely due to the longstanding government-to-government relationship between NIC and TPC, as well as the fact that NIC's front office software is significantly simpler and more user-friendly than the Smart Policy platform developed by TIRA, the use of which is mandatory for brokerage activities with private insurance companies.

Operations

Subscriptions

Subscriptions are currently handled by approximately 25 of 39 trained, certified agents using either NIC's software or the national Smart Policy platform. The regulator receives all information collected via the software or platform and validates each new subscription online. Very often, either TPC's one-person insurance back office or the insurance partner's sales agents need to intervene to support the postal workers and finalize the subscriptions.

Premium collections

Annual premiums can be paid by various methods, including cash and e-wallet payments. Renewals are initiated by the client and have a success rate of 70%, since motor insurance is mandatory.

Claims validation and payment

Typically, claims documents are collected by TPC's insurance back-office officer and then managed entirely by the insurance partners, which liaise directly with the claimants. This is the insurance partners' preferred approach to avoid errors or fraud.

After-sales service and quality control

Quality control and after-sales support are currently very limited but may be expanded in the future.

Information systems and digital tools

Use of the regulator's Smart Policy platform is mandatory for all private insurance players. TPC agents use NIC's proprietary system for NIC and the national Smart Policy brokers' insurance system for other partners. These information systems serve as TPC's insurance customer database.

Marketing

TPC does not currently invest in marketing for insurance activities. Marketing efforts are supported by the insurance partners but remain limited.

Sales organization

A total of 39 TPC officers have been trained to sell insurance, although only 25 of them actively do so. TPC does not currently offer insurance solutions in about a third of Tanzania's 30 regions, which it attributes to its staff's lack of knowledge of insurance and technology and their perception that selling insurance is complex. It has recently set up a sales team consisting of 63 freelance agents (university graduates) to sell its range of offerings to all customer segments, and plans to recruit 25 more young freelancers with minimal insurance experience in the near future.

Insurance partners can provide support to these agents where necessary. One partner dedicated five sales support agents for this purpose, but this initiative was discontinued due to limited sales. Once trained and certified, agents are relatively autonomous in setting their own targets and selling insurance.

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

1 Owing to Tanzania's favourable legal insurance environment, TPC needed only limited resources to rapidly launch simple insurance products and start raising insurance awareness among its teams and client base – first as an insurance agent and then as a broker. The initial resources required included a strong insurance partner, a dedicated back-office support team or person with experience in insurance, and a team of promising sales agents ready and willing to be trained.

2 Simple non-life, mandatory insurance products might be easier to roll out initially under the TPC model, provided they truly add value for customers in line with the Post's social mission of public service. It is worth noting that 82% of all premiums collected in Tanzania are for non-life insurance products.

3 In Tanzania, a number of insurance companies are interested in leveraging the Post's unique assets to tap underserved rural markets. They may invest in sales and marketing, accepting limited profitability in the first few years.

4 Despite possibly limited initial volumes and/or changes of management teams, TPC's strong official public commitment is valuable for sustaining its inclusive insurance ambition. For instance, TPC has publicly shared its strategic plan, including ambitious insurance targets, and the management team is committed to it. However, precautions are necessary as plans may change during the initial test and learn period.

FUTURE GROWTH DRIVERS

To scale volumes and deploy an insurance portfolio that meets the multiple protection needs of vulnerable populations, a number of other growth levers are available to the Post and its insurance partners, as outlined below.

1 Scaling requires a robust vision and strategic deployment plan on the part of TPC. The vision should encompass a strong social mission statement focused on developing financial and insurance inclusion and raising insurance awareness. Short-term profit should not be the primary objective, as inclusive insurance products typically generate low margins and require time to scale. The vision should address the specific protection needs of underserved populations, which should be analyzed from the outset in cooperation with the insurance partners and possibly the regulator. The Post's staff can be surveyed early on to provide further insight into customer needs.

This vision for insurance development must be integrated with TPC's overall transformation strategy, which might include extended service diversification and digitalization and cultural change management. This is particularly relevant where the Post is considering creating an insurance subsidiary after successfully scaling brokerage activities.

Swot analysis of the business and operating model (at inception and/or today)

STRENGTHS

- Trust among the public
- Physical presence in rural areas
- Brokerage licence
- Privileged relationships with public organizations

OPPORTUNITIES

- High penetration of mobile money in Tanzania
- Enabling legal environment that promotes financial inclusion, facilitates the launch of microinsurance solutions and allows digital signatures
- Potential to launch small business insurance protection, with specialized coverage tailored to the specific sector of the insured

WEAKNESSES

- Postal teams' limited financial and technological awareness in some areas
- Lack of insurance expertise within TPC teams (one back-office officer)
- Limited marketing budget allocated to insurance
- Absence of centralized insurance performance management system or dashboard

THREATS

- Limited awareness of life insurance in the country (with 82% of the insurance market in Tanzania being non-life)
- Barriers to profitability for health insurance in Tanzania

- 2 Success criteria need to be precisely defined by TPC management and agreed upon with both insurance partners and employees.** They should include sales and renewal and retention targets.
- 3 Having an execution plan is essential for TPC, yet teams must be prepared to test and learn.** With experience, decisions might change regarding distribution models, products, processes and organization. Regular feedback and business reviews with the teams and partners involved are crucial from the outset.
- 4 To establish new insurance activities, TPC will need to recruit experienced staff at both the operational and the strategic levels.** Consultants can speed up the launch and scaling, but a dedicated, experienced, technically and digitally proficient and agile insurance project team is necessary at the Post. This team must also engage all stakeholders within the Post. To support its digital and entrepreneurial transformation plan, the Post should recruit not only senior insurance talents but also young, entrepreneurial and digitally native collaborators.
- 5 Maintaining strong relationships with insurers at all stages will be vital,** especially for market research, product design, sales organization and performance management. Insurers have expressed an interest in designing dedicated postal insurance products for small businesses, which could be a promising next step but would require the allocation of sufficient resources by both the Post and its insurance partners. Other new product opportunities include developing geography-specific agricultural products and parcel insurance and embedding products in TPC's existing services. Leveraging relationships in the public sector and providing dedicated insurance protection to public employees could help to scale insurance activities.
- 6 TPC's postal agents need simple, user-friendly digital solutions to sell insurance.** In the first instance, Posts can leverage existing applications or software from their insurance partners. Digital subscriptions should be targeted if the local insurance regulator allows digital signatures for insurance policies. The practicality and effectiveness of the insurance software/app should be a criterion in any request for proposal for insurance partners.

DETAILED CASE STUDIES

INDIA POST AND INDIA POST PAYMENTS BANK

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

Financial inclusion has been a priority for the Indian authorities for decades, resulting in a banking rate increase from 35.23% in 2011 to 77.53% in 2021.⁴⁹ Increasing insurance penetration in the country, which stood at 4.2% in 2022 (3.2% for non-life insurance and 1% for life insurance),⁵⁰ is a key objective of the National Strategy for Financial Inclusion 2019–2024. Three key levers have been outlined in this plan:

- 1 Increasing insurance awareness and product availability (including microinsurance) by expanding the number of delivery channels, including corporate entities;**
- 2 Leveraging technology to facilitate insurance access, notably with the issuance of policies in electronic form;**
- 3 Protecting policyholders' interests and building their confidence in the system through the institution of the Insurance Ombudsman to address any grievances.**

Since the implementation of enabling regulations that allow multiple actors to deliver microinsurance, private companies have significantly contributed to the development of inclusive insurance. As of 2022, 18 life insurance companies offer microinsurance solutions for 132 million lives through 38 microinsurance products. General microinsurance products also cover health insurance, personal belongings and accidents.

The Insurance Regulatory and Development Authority of India (IRDAI) has committed to enabling “Insurance for All” by 2047, aiming to ensure that every citizen has appropriate life, health and property insurance coverage, and that every enterprise is supported by suitable insurance solutions.⁵¹

India Post and IPPB make a crucial contribution to achieving this objective, especially in rural areas, where 65% of the country’s population resides (47% of the population depends on agriculture for its livelihood).⁵²

Historical vision and strategy for the Post

India Post

India Post introduced Postal Life Insurance (PLI) in 1884, allowing first postal employees and then other public sector employees to subscribe to “low premium, high bonus” life insurance. The subscription was extended to business professionals in 2019 and to university graduates in 2022. In parallel, a similar product line, Rural Postal Life Insurance (RPLI), was launched in 1995 for individuals residing primarily in rural areas. Combined, the PLI and RPLI products cover close to 10 million lives.

49 Global Findex Database 2021, available at www.worldbank.org/en/publication/globalfindex

50 IRDAI annual report 2021–2022, available at <https://irdai.gov.in/document-detail?documentId=1632108>

51 IRDAI press release, “Insuring India by 2047 – New Landscape for Insurance Sector”, 24 November 2022, available at <https://irdai.gov.in/web/guest/document-detail?documentId=1624671>

52 Ministry of Finance press release, “Economic survey highlights thrust on rural development”, 31 January 2023, available at <https://pib.gov.in/pressreleasepage.aspx?prid=1894901>

India Post Payments Bank

In 2018, India Post created the IPPB to accelerate the development of its financial services. In 2020, IPPB obtained a corporate agent licence to distribute insurance products and has since partnered with nine general and life insurance companies to rapidly expand its offerings across the country, in line with its objective to “deliver modern banking services at the doorstep of every household in India”. To achieve this, IPPB leverages technology and the extensive postal distribution network, presenting itself as a “digital-first organization”. India Post and IPPB collaborate closely: in addition to utilizing the postal distribution network, IPPB facilitates some India Post transactions, e.g. by enabling customers to pay their PLI/RPLI premiums through the bank’s digital platform.

Milestones

1884: Launch of PLI at India Post, initially available to all postal employees, later extended to all public sector employees;

1995: Launch of RPLI at India Post;

2018: Creation of IPPB;

2019: Opening-up of PLI to all business professionals;

2020: Launch of the first insurance product at IPPB.

Key stakeholders

India Post manages the PLI and RPLI offerings independently, i.e. without partners.

Acting as a corporate insurance agent, IPPB currently partners with six non-life insurance companies (Tata AIG, Niva Bupa, Aditya Birla, Balaj Allianz, Star Health and the government-owned New India Assurance) and three life insurance companies (Bajaj Allianz Life, SBI Life Insurance and HDFC Life Insurance). All these partnerships were established following specific requests for proposals, enforced for three to seven years, and could be extended by law to a maximum of 27 insurance companies (nine in general insurance, nine in health insurance, and nine in life insurance).

OUTCOMES

Scale

Within four years, IPPB has enrolled 2.9 million insured individuals, representing 4% of its 93 million customers, or 0.2% of India’s total population. Most geographical areas are covered, although most (60–70%) of those individuals reside in western and southern India. Most policies sold by IPPB are non-life insurance policies, with an average of 10,000 to 15,000 non-life policies sold daily today compared to 80 to 100 life insurance policies sold daily. India Post, for its part, has a stock of 10.7 million insured customers: 5 million PLI-insured, all of whom are professionals, mostly in the public sector; and 5.7 million RPLI-insured, who are based in rural areas. The customer base is currently growing by close to 15% per annum. A third of premiums are collected in rural areas.

Social impact

Access to insurance: 90% of IPPB customers are low-income and a vast majority of them have never previously subscribed to an insurance product.

Effective payment of claims: The claims ratio for IPPB’s non-life product is close to 80–100%, whereas it is far lower for its life products. IPPB and its partners agree that while launching new products, claims ratios should be closely monitored. Consequently, product design could be adapted, premium amounts raised, or product offerings restricted in certain regions if claims ratios exceed initial forecasts. This has already occurred in locations where claims ratios were abnormally high and fraud was detected. There is healthy competition between IPPB’s insurance partners in quality of service and effective and prompt claims payments, leading to claims payment targets that are significantly better than the national standard. For instance, hospi-cash claims are to be paid within 15 days. For other types of cover, claim payment times vary from 15 to a maximum of 30 days (once all documents are well received).

Sustainability/financial outcomes

For India Post and IPPB, the primary objective of delivering insurance is to facilitate access to insurance for underserved populations. With this social mission, their profit targets are set below that of the private insurance sector: a third to half of the sector's usual margin, according to India Post. Despite these lower targets, both the India Post and IPPB models are currently profitable, and thus sustainable. IPPB receives a fixed rate of commission from its insurance partners as a percentage of premiums depending on the product and reverses part of it to India Post, which in turn shares the commission with its sales agents and post offices.

Both India Post and IPPB receive commission on sales of governmental microinsurance products: 0.01 USD⁵³ for Pradhan Mantri Suraksha Bima Yojana ("Prime Minister's Safety Insurance Scheme") accident insurance; and 0.21 USD for Pradhan Mantri Jeevan Jyoti Bima Yojana ("Prime Minister's Life Insurance Scheme") term life insurance. However, the overall impact of this commission on their profit and loss is negligible, compared with the commission paid for other insurance products. For IPPB, these commissions were significantly lower than those which it received from its insurance partners in 2023.

IPPB's objective is for insurance commission to account for 20% of its revenue in the coming years. Achieving this goal would require more than doubling insurance premiums, with a four-fold increase for non-life insurance and a two-fold increase for life insurance. Other than commission, there is no profit-sharing agreement with insurers.

PLI and RPLI premiums, totalling 131.4 million USD in 2023, account for around 10% of India Post's revenue.

The non-life insurance partners of IPPB that were interviewed mentioned that the model will take time to become profitable for them and will necessitate high subscription volumes. However, they are investing heavily in these partnerships, recognizing India Post as the only partner capable of reaching the last mile in rural areas, which is crucial for its long-term strategy.

BUSINESS AND OPERATING MODEL INDIA POST MODEL

PLI	Product
	Whole life insurance (Suraksha)
	Endowment assurance (Santosh)
	Convertible whole life assurance (Suidha)
	Anticipated endowment assurance (Sumangal)
	Joint life insurance (Yugal Suraksha)
	Child policy (Bal Jeevan Bima)
RPLI	Product
	Whole life assurance (Gram Suraksha)
	Endowment assurance (Gram Santosh)
	Convertible whole life assurance (Gram Suidha)
	Anticipated endowment assurance (Gram Sumangal)
	10-year anticipated endowment assurance (Gram Priya)
	Child policy (Gram Bal Jeevan Bima)

Both the PLI and the RPLI product lines comprise six endowment products, with the sums insured ranging from 120 to 12,000 USD. Some 90% of PLI policies sold are accounted for by the endowment assurance (Santosh) product because it has the lowest premium and is available to all professionals, regardless of their marital or parental status.

Clients

Most PLI customers are employees of central and state government, defence and paramilitary services and public sector enterprises. Since PLI was opened up to a wider target audience, the customer base has grown to include students; employees of listed companies, banks, educational institutions and local bodies; and other professionals (doctors, engineers, chartered accountants, lawyers, journalists, etc.). Women account for 30% of professionals insured under PLI and 47% of individuals insured under RPLI.

Capabilities

As of December 2023, India Post has a network of 159,000 post offices, including 134,000 offices in rural areas, of which 131,000 are operated by GDSs in villages. India Post has a special authorization to distribute and manage PLI and RPLI insurance products, being supervised directly by the Department of Posts, following the rules set by the IRDAI, but not being regulated by it.

Partnerships

India Post provides insurance solutions directly, without involving any external partner.

Operations

Subscriptions

PLI and RPLI can be sold at any post office, by any of the four types of postal agents employed by India Post: department employees; freelance direct agents; field officers (i.e. retired government officers); and GDSs (branch postmasters).

Postal agents sell PLI and RPLI within and outside post offices, with 60 to 70% of PLI policies being sold during seminars organized for employees of public and private organizations. Upon subscription, the postal agent completes a paper proposal form, collects the subscription documents (ID card, professional ID card, diploma, medical questionnaire and health check-up results, depending on age, for benefits above 24,000 USD), collects the first premium, and either posts the policy documents or delivers them by hand to a central processing centre (CPC). The CPC is responsible for registering the subscription in the information system and validating it, in conjunction with the head office postmaster. If the subscription is rejected, the collected premium is refunded. If the subscription is accepted, the CPC prints the policy and sends it by post to the insured, along with the acceptance letter.

Premium collections

Premiums are collected by various means: approximately 50% are paid by cash or cheque, 33% via salary deductions, 2 to 3% through auto-deduction from bank accounts (a feature introduced in 2023), 1% via the India Post mobile app, 5% via India Post's online customer portal and the remainder (approx. 9%) through other electronic payments, including the IPPB mobile app, which was recently added. The collection success rate is around 80 to 90% for PLI products and 70 to 80% for RPLI products. In cases of non-payment, policies are suspended but can be "revived" at any time, with no limit on the number of revivals, provided that medical forms are resubmitted after six months (for policies of less than three years) and 12 months (for policies of more than three years).

Premiums are eligible for tax exemption.

Claims validation and payment

Clients can submit claims at any post office, provided they have valid ID. Claims are managed by one of 800 CPCs using the postal information system. They are validated by the CPC data entry operator and then by the postmaster of the head post office. Additional validation from the divisional post office is required for payment of claims exceeding 24,000 USD. Claims are paid within 10 to 15 days on average, by either interbank transfer or cheque. To receive the claim amount, the beneficiary must have a bank account.

After-sales service and quality control

All after-sales operations, such as surrenders or loans, are managed at CPCs.

Information systems and digital tools

India Post migrated to a core insurance solution (developed externally) 10 years ago to manage its growing number of clients, having previously used a proprietary solution. Freelance agents and GDSs do not have access to India Post's information system.

Marketing

Marketing primarily relies on print media and field visits, with marketing costs being minimal. India Post mainly depends on word of mouth, direct sales by agents, and sales seminars. Radio and TV campaigns are not utilized owing to the diverse languages spoken by customers.

Sales organization

Postal agents receive initial online training from the Insurance Institute of India, with refresher training provided at monthly meetings if there are regulatory or business rule changes. Each agent is required to sell at least four PLI or RPLI policies annually. Agents are incentivized through commission calculated as a percentage of the premium, depending on the policy duration.

INDIA POST PAYMENTS BANK MODEL

Products

Life/ non-life	Product	Annual premium range	Insurers
Non-life	Group personal accident	6.50–8.50 USD	Tata AIG, Aditya Birla, Bajaj Allianz, New India Assurance
	Group hospi-cash		Balaj Allianz
	Health insurance (individual)	48–850 USD depending on age and cover	Tata AIG, Niva Bupa, Aditya Birla, Balaj Allianz
	Group rural package		Health insurance (individual)
	Motor insurance (individual)	60–287 USD (third party)	Tata AIG
Life	Health insurance (individual)		Tata AIG, Balaj Allianz
	Health insurance (individual)		
	Health insurance (individual)		Bajaj Allianz Life, SBI Life Insurance, HDFC Life Insurance

A total of 90% of IPPB's non-life insurance sales consist of group accident policies, which provide coverage for multiple events: accidental hospitalization, accidental medical expenses (inpatient and outpatient), hospital cash benefits for accidents, cremation charges, and child education bonus. The product's popularity is due to its being the most affordable and providing basic health protection for customers who do not have any other health insurance coverage. Group hospi cash, health insurance, group rural packages and motor insurance each account for 1 to 3% of non-life sales. Some prices have increased in recent years (e.g. by 75% for a personal accident product), "to cover some losses and to add coverage benefits". IPPB is exploring the launch of new products to better address the specific needs of its customers, particularly women and small farmers.

Clients

A total of 90% of IPPB customers are low-income, with 45% being women. Among insured individuals, 20 to 30% are women. IPPB offers insurance solutions exclusively to its payment bank customers.

Capabilities

IPPB opened 650 banking branches within post offices, but also benefits from India Post's full network, including its 134,000 rural post offices and 236,000 GDSs. Around 14 full-time employees are dedicated to managing insurance back-office activities.

IPPB operates under a corporate insurance agent licence.

Partnerships

IPPB currently partners with six non-life insurers (Tata AIG, Niva Bupa, Aditya Birla, Balaj Allianz, Star Health, New India Assurance (public) and three life insurers (Bajaj Allianz Life, SBI Life Insurance and HDFC Life Insurance). The law allows IPPB to partner with up to 27 insurance companies. Within these partnerships, IPPB acts as an agent, with India Post's sales force providing insurance solutions to IPPB clients. It is also deeply involved in product design, identifying customer needs and soliciting solutions from its partners through requests for proposals.

Operations

Subscriptions

Life insurance subscriptions are conducted at IPPB branches using the bank's banking information system, and often coincide with the opening of a bank account. Non-life and health products are subscribed to through the rural postal network, specifically via the 144,000 GDSs. The GDSs check the customer's IPPB bank account balance, and, if it is sufficient, can recommend enrolling in an insurance solution. The registration process through their mobile device takes only two minutes, compared with the national average of seven days. No additional know-your-customer verification is needed since it was already completed during the bank account opening.

Renewals are encouraged through SMS campaigns, with insured customers receiving a renewal SMS one month before their policy expires.

Premium collections

Premiums are collected annually from bank accounts. They can be paid by auto debit, at agencies, or through the mobile banking application.

Claims validation and payment

Claims are fully managed by the insurers without the involvement of IPPB teams. GDSs can still support customers in these processes, for instance by helping them to gather the claims documents to be sent to the insurer.

After-sales service and quality control

After-sales support is fully managed by the insurer.

Information systems and digital tools

IPPB's life insurance solutions, provided by its three life insurance partners, are integrated into its information system via APIs. Non-life insurance solutions for all partnering insurers are managed via a single technology service provider platform, to which IPPB's information system is connected via an API. Digitalization is central to IPPB's strategy of serving underserved populations. All GDSs are equipped with a "micro-ATM", i.e. a smartphone with an integrated banking application and Aadhaar⁵⁴ digital fingerprint payment authentication system. A total of 98% of bank accounts were opened on customers' doorsteps by micro-ATM, and 100% of non-life policies are also subscribed to using the same method.

Marketing

Marketing initiatives are primarily organized and financed by insurance partners to support the GDSs in their sales efforts. This includes providing brochures, megaphones and painting houses that are used as post offices. Marketing investment remains relatively modest, with sales volumes largely depending on agent training, thematic sales camps and word-of-mouth referrals, particularly following claims.

Sales organization

In 2023, of the 144,000 GDSs, 70% sold at least one non-life (including health) insurance policy during the year, among which 15% were considered as active sellers. Some 90% of non-life sales are made by GDSs on customers' doorsteps, and 10% are generated during thematic events, e.g. financial inclusion or health awareness campaigns, organized by IPPB with the support of its insurance partners. Around 20,000 to 25,000 camps are proactively organized by GDSs in coordination with village heads, cooperatives, schools and other public institutions every day. GDSs are trained by insurance partners. To be certified, they receive 25 hours of online training and six hours of offline/in-person training on products. Only product training is required to register group policy memberships, while individual policy subscriptions necessitate that the agent be certified. To expedite and scale the training of GDSs, some insurance companies have engaged dedicated sales training firms. Active GDS are trained first. Insurance partners also support GDS by providing "enablers", i.e. insurance experts dedicated to assisting GDSs with the sales process. Typically, one enabler supports 40 to 50 GDSs. To date, insurance partners have provided a range of initially 50 to 450 enablers to support their product sales through IPPB. Additionally, a number of sales managers and regional sales heads (e.g. five) serve as supervisors. GDSs are incentivized by IPPB, which repays monthly a percentage of the collected premiums to the GDS. This commission can be doubled during quarterly sales challenges, increasing sales by 30 to 50% during these periods. IPPB is particularly diligent in paying commission on time. Around 60% of life insurance policies are sold by IPPB's 1,000 banking agents in branch, and the remaining 40% by 20,000 individual business correspondents (e.g. shopkeepers, retirees, etc.), of which 2,000 to 3,000 actively sell insurance.

54 Aadhaar is a 12-digit unique identity number that can be obtained voluntarily by all residents of India, based on their biometrics and demographic data.

Swot analysis of the business and operating model (at inception and/or today)

STRENGTHS

- Network of 159,000 post offices
- Structured and decentralized distribution network and insurance back office
- GDS model and public trust in GDSs
- Information system for postal back-office operations, including PLI and RPLI
- Micro-ATM to manage IPPB non-life insurance offerings
- Financially educated IPPB employees
- Strong partnerships with multiple insurers
- Lower margin requirements from shareholders compared with private sector
- Low-price, high-benefit products

OPPORTUNITIES

- Support from Prime Minister/government
- High banking penetration (80% of Indian population)
- 1.4 billion population with insurance penetration of only 4.2% (2021)
- Multiple national and foreign private insurers eager to reach the last mile

WEAKNESSES

- Limit on banking activities (e.g. no own credit or card solutions)
- PLI and RPLI processes remain partially manual (e.g. subscription and document collection)
- Financial awareness of postmen is not sufficient to sell any type of insurance or banking product
- Uneven distribution of insurance across the network (most agents do not actively sell insurance)
- Limited feedback and sharing of best practices

THREATS

- Unequal access to health system between geographical areas
- New actuarial risks related to climate change and exposed populations
- Withdrawal of partners owing to lack of economic benefit
- Reputational risk increases as the number of insurance partners increases

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

1 **Products with high (perceived) value and low premiums are a key entry point for launching insurance activities at India Post.**

Examples include affordable, high-return endowment policies or affordable personal accident products providing unlimited teleconsultation with doctors. IPPB sells approximately 100 times more non-life insurance policies than life insurance products. Its personal accident insurance, which represents 90% of its non-life insurance sales, offers an affordable product with multiple health benefits (e.g. covering both inpatient and outpatient expenses, unlimited medical teleconsultation and accidental hospital cash benefits). India Post has focused on endowment insurance since 1884, with the sales motto “low premium, high bonus”.

While term life insurance is crucial for protecting a breadwinner’s family in the event of death, its premiums can be eight times higher, and it often has a low perceived value among financially less aware populations, requiring a more significant sales effort than for endowment insurance or non-life products, such as personal accident, health, or flood and fire insurance.

A good indicator of the product’s perceived value is actual voluntary subscriptions by the Post’s employees.

2 **Directly selling one type of insurance exclusively for many years to a specific customer segment has been a viable strategy for India Post to start its insurance activities and develop its employees’ insurance awareness.**

Leveraging its competitive advantage as a public entity, it can initially target customers from among public employees, with opportunities to introduce the product to public organizations’ teams through dedicated seminars.

3 **Creating a payment bank has been a powerful accelerator for India Post to develop a more comprehensive insurance portfolio.**

This has enabled the sale of around 10,000 to 15,000 insurance contracts per day after four years of insurance activities at IPPB. These activities can start very early after the bank’s creation, for example after two years in the case of IPPB. Having a bank facilitates increased premium collection and renewal rates, the sale of multiple or complex insurance products through financially aware professionals, and increased team focus on insurance development strategy. Results are optimized if the postal bank and the post work collaboratively, with postal agents potentially delivering the bank’s insurance products. Some products might still be sold exclusively at bank branches if they compete with the Post’s other insurance offerings.

4 **This approach was contingent on Indian regulators’ efforts to facilitate the creation of banks or payment banks and their distribution of insurance products.**

Dedicated regulation is needed, and strong political support can be crucial in engaging multiple actors, including rural associations and administrations, which can be key to selling. In India, the launch of the ASSY insurance scheme by the Ministry of Labour and Employment enabled IPPB to sell 100,000 policies in its first month of operations, surpassing the target set for its first 45 days.

5 **Leveraging multiple partnerships with insurers (e.g. nine active partnerships at IPPB) and a variety of distribution models is allowing IPPB to more rapidly tap large insurance markets**

(close to 96% of India’s population of 1.4 billion is not covered by any insurance). Healthy competition among insurers fosters product innovation, diversification, affordability, service optimization and support from partners, while spreading risk among insurers. Well-organized and time-limited requests for proposals are key components of such a multi-insurer strategy. In attractive markets (e.g. those with enabling legal environments and/or large underserved populations), where private insurers are eager to penetrate new rural areas, the Post is a key partner. The Post can leverage its bargaining power as a well-positioned and trusted institution: insurance companies may be willing to invest in sales and marketing and accept limited profitability in the first few years to test the market and reach the last mile.

6 For a multi-model, multi-insurer approach, the highly structured and decentralized organization of both front and back offices has been essential for India Post.

This requires a corresponding organizational partnership structure on the insurers' side. India Post has not only decentralized its sales force supervision, but also created 800 CPCs to support and validate subscriptions, manage claims and handle after-sales processes. Commitment at all levels of the postal organization is crucial.

7 Digitally enabling rural postal agents has been instrumental in reaching the last mile. IPPB has provided all rural postal agents with mobile devices and a mobile banking app embedding a biometric authentication system. This enabled them to complete new insurance subscriptions in as little as two minutes.

8 Once equipped and trained, many remote postal officers in rural areas could actively sell simple, attractive insurance products.

They can assess the population's needs and offer the most appropriate protection solutions. They usually have the trust of the community, with frequent contact through mail delivery. Under India Post's model, these postal workers are part-time freelancers who have potentially been working as postal agents for decades with very low turnover.

While training and engaging the entire sales force can take time, training and supporting priority active agents can create momentum at launch.

9 Owing to their proximity in rural areas, postal workers are well placed to proactively organize community camps that can act as an important lever for sales and financial education.

For IPPB, camps are the best sales channel for group insurance and account for 90% of customer acquisitions. Most camps are proactively organized by GDSs in coordination with village heads, cooperatives, schools and other public institutions. There are 20,000 to 25,000 such camps organized by GDSs every day. These camps are one-stop shops providing multiple services to customers (e.g. national ID enrolment, subsidy account creation, investment, insurance, etc.).

FUTURE GROWTH DRIVERS

In the specific context of its objective of reaching 96% of the 1.4 billion uncovered individuals, IPPB's future growth drivers include:

1 Developing partnerships with insurers:

continuing to establish and strengthen partnerships with insurance companies;

2 Training GDSs:

enhancing the training of GDSs to offer insurance to the entire Indian population, especially in rural areas;

3 Monitoring sales and performance:

implementing tools and methodologies to closely monitor sales and performance, and sharing learnings and best practices with sales and back-office teams;

4 Customer satisfaction surveys and quality control:

increasing customer satisfaction surveys and quality control measures to support scaling efforts;

5 Rationalizing the product mix and cross-selling:

reflecting on how to simplify the product mix and enhance cross-selling strategies to reduce sales complexity and potentially increase sales efficiency for postal workers.

India Post's future growth drivers include:

1 Further digitalization of front-office processes;

2 Simplifying and diversifying insurance offerings in partnership with IPPB, potentially leveraging IPPB's digital system.

This will enable India Post to better serve its customers and scale its operations, and more effectively develop multiple types of postal agents to propose insurance when customer needs are detected, throughout the country.

DETAILED CASE STUDIES

CORREIOS (BRAZIL)

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

The proportion of Brazilian adults with a bank account or mobile money account increased from 56% in 2011 to 84% in 2021.⁵⁵ However, in 2021, insurance penetration (i.e. the ratio of insurance premiums to GDP) was only 4%.⁵⁶ Since 2008, Brazil's two key private insurance regulators, the National Council of Private Insurance (CNSP) and SUSEP, have been actively shaping a regulatory framework for microinsurance with a view to expanding access to insurance for lower-income groups (classes C, D and E), which collectively represent 80% of the country's population.

Several legislative steps have been taken to this end:

In 2011, the CNSP introduced resolution No. 244/2011, Brazil's first regulatory framework specifically focused on microinsurance;

In 2021, the CNSP strengthened the microinsurance framework through resolution No. 409/2021, designed to expand the microinsurance market by removing certain limits, e.g. on the sums insured;

In 2020, a regulatory sandbox was created to foster innovation and expand access to insurance, by enabling companies to pilot new business models and products in a controlled environment;

In 2021, the CNSP introduced resolution No. 431/2021, which expanded the field of activity of insurance representatives;

In 2023, the Access to Insurance working group was formed.

Historical vision and strategy for the Post

In the face of significant sustainability challenges and negative financial results (net deficit of 109.2 million USD for 2023),⁵⁷ Correios, whose public status was recently reaffirmed by Brazil's President Luiz Inácio Lula da Silva, is undergoing a transition to diversify its activities and generate additional revenue, while fulfilling its strong social mission. In 2023, a new President, Fabiano Silva dos Santos, was appointed to lead this pivotal phase. A number of initiatives have been launched or are under development, including new aviation freight services, a logistics super app, a medication distribution service, and the planned launch of an electronic marketplace and digital wallets. In 2020, Correios took the strategic decision to start offering microinsurance solutions to its customers, with a dual objective: to further advance financial and social inclusion, and to generate new revenue streams by monetizing its extensive network. Until 2019, for nearly two decades, Correios had been offering banking services in partnership with Bradesco and then Banco do Brasil, and was the largest banking operator in Brazil, covering close to 95% of the country's territory. However, this model was discontinued in 2019 due to sustainability concerns for Correios and its banking partners. Microinsurance then emerged as a sustainable alternative to provide financial services to Correios' customers, considering the favourable legal environment and minimal investment required to maintain security at postal agencies, which had been a challenge for banking services in areas with high crime rates.

55 Brazil: population with bank accounts 2011–2021, by type", Statista Research Department, 7 August 2023, available at www.statista.com.

56 Life and non-life insurance penetration in selected regions globally 2020–2022", Jennifer Rudden, 27 January 2025, available at www.statista.com.

57 Where 1 USD = 5.63 BRL

Milestones

2002: Correios starts distributing banking products

2019: Correios stops distributing banking products

2020: Correios launches dental insurance⁵⁸ and a capitalization bond product, in partnership with CNP Seguradora

2020–2023: Bidding process milestones:

July 2020: Launch of the bidding process for microinsurance (first public hearing)

October 2021: Approval by the Board of Governors as a business opportunity

November 2021: First publication of the bidding notice

January 2022: Abandonment of public procurement process

February–July 2022: Meeting with players and revision of the business model

January 2023: Second publication of the bidding notice

June 2023: Public selection, with successful bidder declared

July 2023: Partnership agreement signed between Correios and CNP Seguradora

December 2023: Launch of the first four microinsurance products

January 2024: Launch of two additional microinsurance products

Key stakeholders

In July 2023, Correios signed an exclusive partnership agreement with CNP Seguradora after the latter's success in a competitive bidding process. This followed a productive non-exclusive collaboration that began in 2018, providing dental insurance and capitalization bonds to Correios customers. CNP Assurances' Brazilian subsidiaries, active in Brazil for more than 20 years, accounted for 20.3% of its revenue in 2023 and operate through three distinct legal entities, in a joint venture with Caixa Bank, its 20-year bancassurance partner, and a fourth legal entity, CNP Seguradora, launched in 2023. CNP Seguradora was established to offer a wide range of products, including mortgage and property insurance, term life policies, savings and consórcio plans,⁵⁹ working with multiple new distributing partners, such as Carrefour and Banco do Brasil.

CNP Assurances has a longstanding history of providing microinsurance solutions in Brazil. In 2013, it launched Amparo, the country's first funeral microinsurance product, and registered approximately 400,000 micro-insured individuals by the end of its offering in 2018. Since 2009, it has also enrolled 3 million customers in an inclusive homeowner insurance programme and, since 2015, has provided accessible car insurance. All these microinsurance products were launched in joint ventures with Caixa and were distributed exclusively through Caixa's agency network.

Correios has emerged as a key partner for CNP Assurances "open model" strategy, with CNP Assurances especially valuing Correios' extensive agency network, its 17 million website users, its proven expertise in distributing financial services, its shared commitment to financial inclusion, and its "special connection to society".

⁵⁸ In Brazil, health and dental insurance are regulated by the National Agency of Supplemental Health (ANS), and not by CNSP and SUSEP.

⁵⁹ A type of group-based savings plan.

OUTCOMES

Scale

In their short sales experience since December 2023, Correios and CNP Seguradora have commercialized, at the time of the study, around 60,000 policies, meeting their launch target volumes. Target volumes for the next five years are ambitious and are defined in the SLA between the partners.

Social impact

Access to insurance: Most of Correios' microinsurance customers have never previously signed up for an insurance plan.

Effective payment of claims: Six months after the microinsurance offering was launched, the claims ratio was insignificant.

Sustainability/financial outcomes

Correios generates revenue from its microinsurance activities through two main mechanisms:

- 1 **Commission on premiums:** commission ranges from 6.5 to 12% of premiums, depending on the product;
- 2 **Sums paid following bids:** an initial payment of 28.3 million USD from CNP Seguradora was made upon signing the partnership agreement, following the competitive bidding process.

An additional payment, based on sales performance and inflation, will be made after five years to extend the partnership by another five years. Once these payments have been processed, they are classed as fully earned by Correios and are non-refundable, irrespective of sales performance. Both partners reserve the right to terminate the 10-year partnership after the initial five-year period.

The costs incurred by Correios to develop the microinsurance offering primarily relate to human resources, including



BUSINESS AND OPERATING MODEL

Products

Product name	Benefit	Monthly premium (USD)	Insured amount (USD)
Bolsa Mais Segura	Group personal accident Group hospi-cash Health insurance (individual) Group rural package Motor insurance (individual)	2.80	178
Funeral Mais Seguro	Funeral expenses	1.80	888 for funeral assistance 533 for food assistance
Lar Mais Seguro	Home insurance offering essential cover and 24-hour assistance for unforeseen events and damage	3.00	9,000 in case of fire or explosion 900 in case of electrical damage and for rent payment
Negocio Mais Seguro	Business insurance offering cover and 24-hour assistance for damage	5.30	10,600 in case of fire or explosion 1,000 in case of electrical damage and for rent payment
Vida Mais Segura	Individual life insurance with additional benefits (discounts on medicines)	3.60	2,600 in case of natural death 666 in case of serious illness
Vida Mais Segura Multi	Life insurance for the policyholder and up to three dependents, with additional benefits (24-hour health-care assistance with telemedicine, discounts on medicines, etc.)	4.40	2,600 in case of natural death, accidental death or permanent total disability due to accident 666 in case of serious illness

While all six products have generated sales, funeral insurance accounts for the majority of revenue earned. Each product has a lottery component, with policyholders entered into a monthly draw for a 3,675 USD prize, irrespective of whether a claim has been made against the policy. CNP Seguradora is exploring the introduction of new products, including consórcio (savings club), logistics insurance and third-party insurance for small businesses.

Clients

The target customers for the partnership between Correios and CNP Seguradora are lower-income individuals from socio-economic classes C, D and E, collectively representing approximately 90% of the Brazilian population.

Capabilities

Correios operates a network of 10,584 sales units, including 6,032 Correios-managed post offices (comprising one mobile unit and 89 corporate agencies), 946 franchised post offices, and 3,518 partnership outlets, typically staffed by one or two individuals and located in municipal buildings in small towns. Microinsurance services are currently available at 6,888 sales points: 5,942 Correios-managed post offices and 946 franchised agencies.

Partnership

Following CNP Seguradora's success in the bidding process, Correios and CNP Seguradora signed an exclusive 10-year agreement for the distribution of microinsurance products, in which Correios acts as a "representative of an insurance company". As Correios' internal corporate rules forbid it from applying its brand to the microinsurance offering, the microinsurance products are sold as CNP Seguradora products distributed by Correios. The partnership is governed by an SLA, which was a critical component of the bidding process. The SLA outlines sales targets, the insurer's commitment to marketing investments, such as advertising budgets and dedicated sales promoters, and the required sales best practices to be implemented by the clerks. Correios and CNP Seguradora have a long-standing partnership, with two additional CNP Seguradora products – dental insurance and capitalization bonds – being distributed by Correios since 2019.

Operations

Subscriptions

Microinsurance products are sold exclusively through postal offices. Clerks provide a concise presentation of the offerings, particularly when they observe potential customers showing an interest in brochures displayed at the counter. Sales promoters may also introduce the products to individuals waiting in the customer area, who can later finalize their subscription with a clerk. Often, customers do not purchase a product immediately but return to complete the subscription during a subsequent visit to the post office.

When a customer confirms his or her intent to subscribe, the clerk enters the customer's personal information into the system, verifying it against the ID provided, together with a phone number and e-mail address. Usually, the clerk enters the customer's unique taxpayer number (known as the CPF number) in the system and is able to retrieve his or her personal data from the public national database. The customer then pays the initial premium to Correios, typically by boleto (a bank slip bearing a barcode). The clerk also records the customer's preferred payment method for subsequent instalments. Once the subscription is complete, a receipt summarizing key policy details is printed. On the next day, a welcome SMS is sent, which allows CNP Seguradora to validate the accuracy of the phone number provided. CNP Seguradora sends the policy to the customer within 24 hours via e-mail or SMS, and if both methods fail, a hard copy is sent by mail.

Premium collections

Three payment methods are available: boleto, which can be paid in cash or digitally; credit card; and automatic bank debit. The majority of customers opt for boleto. The first premium is collected by Correios at the point of sale, and subsequent payments are processed by CNP Seguradora using the customer's preferred method, typically boleto. Should a premium remain unpaid, CNP Seguradora sends weekly SMS reminders over a three-month period, after which the policy is terminated if payment is not received. The low uptake of automatic debit presents a critical challenge for premium collection. The implementation of recurring Pix payments,⁶⁰ which could significantly ease this issue, has been postponed until 2025. In the meantime, targeted strategies will be introduced to incentivize clerks to actively promote recurring payment methods (notably by credit card), enhancing customer retention and coverage continuity.

Claims validation and payment, after-sales service and quality control

Claims and after-sales services are fully managed by CNP Seguradora through its dedicated call centre. Customers are provided with the call centre number at the time of subscription (it is printed on the insurance receipt ticket). They also receive detailed information about the claims process together with their insurance policy. All claims documents can be submitted online or via WhatsApp.

Organization and governance

Weekly meetings are held between the teams at Correios and CNP Seguradora to ensure overall coordination, review sales and organize marketing. Correios has three dedicated project managers for the microinsurance

⁶⁰ Pix is an instant payment method created by Banco do Brasil that enables its users to send or receive payments in a few seconds at any time, including non-working days.

offering, as well as appointed representatives in each relevant department. CNP Seguradora has adapted its sales support team to integrate with the Correios network, and has also appointed a business owner and a 15-person agile squad for the microinsurance project. Both organizations have established a microinsurance executive committee, meeting on a monthly basis. CNP Seguradora's committee includes the CEO, the head of sales and the microinsurance business owner, while Correios' committee comprises six superintendents in the areas of business, operations, IT and finance. Owing to time constraints, the microinsurance project lead at Correios was granted the autonomy to build her team with the requisite expertise.

Information systems and digital tools

Correios uses its proprietary system to manage subscriptions, which is integrated with CNP Seguradora's system via an API. There is currently no digital channel for microinsurance subscriptions or management; however, Correios intends to sell insurance offerings online once its digital marketplace has been launched. The digital signature of policies has been permitted in Brazil since 2013, and subscription receipts are considered as adequate proof of coverage, removing the need for formal policy signatures. However, electronic signatures have not yet been implemented in the Correios–CNP Seguradora partnership.

Marketing

To inform the design of the products, CNP Seguradora conducted three consecutive customer surveys to assess the prospective customer profile, benchmark co-branding efforts and evaluate product offerings. Given the survey findings, particularly the perception of insurance as being inaccessible to low-income populations, the marketing campaign conveyed the message that “insurance is easy, fits in the pocket, and can be found anywhere”. It also positioned insurance as “good news in difficult times”. Teams from Correios and CNP Seguradora collaborated closely to establish the brand *Você + Seguro* (“You + Insurance”) and the accompanying slogan “insurance that comes to you”. To support sales in agencies, CNP Seguradora supplies posters, banners, video advertisements and brochures, ensuring that stock is adequately maintained. It also provides a direct contact number for postmasters to replenish inventory as needed. For the launch, three TV campaigns were rolled out over three months, employing a test-and-learn approach.

Sales organization

CNP Seguradora has streamlined the sales process to ensure that it lasts no longer than two and a half to five minutes, as stipulated in the SLA. It has provided Correios sales teams with comprehensive supporting materials, including sales scripts. Additionally, it has assigned 50 consultants to assist Correios clerks in key locations covering 70% of the postal network. Sales promoters are deployed by CNP Seguradora to sell insurance at post offices, generating 30% of total sales to date. To facilitate the sale of multiple products, Correios has established a weekly calendar outlining which product should be prioritized each day. Postal clerks are instructed to prioritize microinsurance sales for two days per week, although they can sell insurance on other days as well. All postal clerks undergo training, including two hours of online training on products, a four-hour workshop on sales best practices, and ongoing on-site mentoring by CNP Seguradora sales consultants. As a result, 100% of postal agencies, and over 60% of postal clerks, have sold at least one microinsurance policy since the partnership began, and 80% of postal agencies have achieved their initial insurance sales goals. According to Correios, “all clerks can and should sell insurance”. A key target for CNP Seguradora is to have 25% of clerks actively selling insurance solutions.

Agents are incentivized in two ways:

- 1 Through sales campaigns in pre-established months three to four times a year;**
- 2 Through a rewards programme that allows postal clerks to earn points for meeting sales targets, which can then be used to purchase household goods. The programme also includes a lottery element.**

To support this latter initiative, Correios and CNP Seguradora have co-designed a gamification platform, for which 30% of postal agents have registered.

Thanks to the incentives and an organization-wide push, clerks have sold 10 times more policies during sales campaign months than during non-campaign months.

Clerks and agencies receive regular rankings based on their sales performance, which are closely monitored by the President of Correios. Sales are tracked on a weekly basis, and CNP Seguradora coordinators organize weekly sales reviews for clerks to share best practices and discuss challenges. Postmen currently do not sell insurance, as they remain focused on mail and parcel delivery, and no application has been developed to assist them in this respect.

Swot analysis of the business and operating model (at inception and/or today)

STRENGTHS

Nearly 20 years' experience of successfully distributing banking products, including over 15.5 million bank accounts

Experience in distributing dental insurance and capitalization products with CNP Seguradora since 2020

Network of approximately 11,000 post offices nationwide, with a structured organization

Well-known and trusted brand

Senior, highly skilled employees

Robust proprietary information system that enables detailed receipt printing

Exemplary insurance sales processes, with a well-organized sales focus, well-maintained marketing material and regular reviews [*]

Attractive insurance products, meeting multiple protection needs, with a lottery add-on/benefit, regardless of whether or not a claim is made against the policy [*]

Strong, dedicated teams and executive committees set up by both Correios and its partner [*]

Strong presence of the insurance partner and a closely coordinated partnership (weekly meetings) [*]

Both partners highly aligned and committed to achieving defined sales targets [*]

OPPORTUNITIES

Launch of new CNP entity with an "open model" strategy and an agile methodology

Decision by the new President of Brazil to maintain Correios as a public organization, perceived by private partners as a sign of short- to medium-term stability

Opportunities for additional value-added insurance services, such as consórcio (savings club) or mixed insurance

Potential to sell insurance via Correios' forthcoming e-commerce digital wallet (in bundles or with the support of postmen)

WEAKNESSES

No postal wallet or postal bank account to facilitate premium payment

Some internal constraints due to the public status of the company, e.g. hiring freezes and limitations on the ability to incentivize postal clerks, or on the use of the Correios brand on products launched with partners

Potential difficulty in maintaining momentum and employee engagement over the long term

Limited initial insurance expertise with no possibility of recruiting specialists (hiring freeze)

Lack of plan to foster or encourage claims declarations, potentially leading to low claims ratios and limiting customer benefits

Uneven geographical distribution of microinsurance offering, with some regions barely covered, especially in rural areas

THREATS

Limited recurring payment solutions for the unbanked population in Brazil (e.g. the introduction of recurring Pix payments has been postponed twice)

Risk of Correios being privatized, which could jeopardize the existing partnership agreement

Potential risk of the insurance partner terminating the partnership after five years if sales targets are not met

* strength built over time, through experience of delivering insurance

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

1 Correios' innovative bidding mechanism, featuring an up-front payment of 28.3 million USD from the insurer, and renewal of the agreement after five years, contingent on meeting sales performance targets, has fostered a strong commitment from both parties to rapidly scale the postal insurance model.

The bidding system is inspired by a similar initiative launched by Correios to distribute banking products of private partners.

A key success factor of this mechanism was thorough preparation, which involved engaging with prospective insurance partners to gauge their interest and gather their feedback on potential conditions. Additionally, Correios liaised with regulators to ensure full compliance with the relevant regulations. Transparency regarding Correios' agency network was vital to the bidding process. Correios provided detailed information about the organization of its network and the distribution methods employed by postal agents, enabling prospective partners to effectively evaluate the potential return on their investment. Furthermore, it was essential to conclude an SLA that precisely defined joint sales objectives, go-to-market timing, marketing budget and sales support arrangements. The minimum bid was determined by Correios' internal teams based on their assessment of the added value provided by their network.

2 The two partners have demonstrated exemplary six-month go-to-market execution, each dedicating strong operational teams to the project and implementing CNP Seguradora's robust, agile methodology.

Correios considers its microinsurance go-to-market strategy to be the most successful it has implemented to date, and says that its insurance partner "took it out of its comfort zone." When launching new offerings, CNP Seguradora thoroughly adapts to the specific context of its partners and prospective customers, using an agile test-and-learn methodology. Products were designed based on insights from three customer surveys, and sales processes and support were customized to align with Correios' network organization. CNP Seguradora appointed a dedicated team of 15 individuals exclusively

to work on the project. The establishment of a dedicated executive committee by the partners has facilitated rapid business decision-making, and weekly coordination meetings between the partners' teams ensure ongoing collaboration.

3 Attractive products and focused sales organization have made the offerings easy to sell, according to Correios postal clerks interviewed.

All six products are simple, with "not many rules", affordable and tailored to customers' needs as initially assessed through surveys, and also have a lottery benefit for which customers are eligible regardless of whether or not they claim against their policy.

Sales execution is also exemplary. Multiple sales incentives are organized by CNP Seguradora, which specifically set up a dedicated gamification tool. The insurance partner provides postal agencies with comprehensive marketing materials, including brochures, posters, banners and videos, as well as substantial commercial support for sales pitches, dedicated consultants and promoters. Correios provides postal clerks with a weekly calendar outlining priority products to be sold each day and designating two days specifically for microinsurance sales. Sales achievements against targets set in the SLA are closely monitored by both partners, with regular sales review meetings being held with postal clerks.

4 Timing was essential for both partners: the launch of CNP Seguradora coincided with Correios' growing interest in insurance, following the cessation of its banking activities and the reassurance from the newly elected President of Brazil that Correios would remain a public company.

Correios' prior experience of distributing financial services, along with its previous partnership with CNP Assurances, provided further reassurance to both parties regarding the potential of their exclusive 10-year partnership.



FUTURE GROWTH DRIVERS

- 1 The primary challenge for Correios' postal insurance model is to **streamline the recurring payment of premiums** through either forthcoming digital solutions, e.g. recurring Pix payments, or the Correios e-commerce digital wallet. The partners' revenue targets will need to be met.
- 2 It will be essential for Correios and CNP Seguradora to actively **promote the submission of claims and to streamline the claims payment process**. By doing so, they can reinforce and maintain public trust, a key factor in driving scalable growth. Correios could play a significant role in facilitating claims processes in the future. Claims targets could also be incorporated in the SLA.
- 3 **Postmen could become key players in distributing insurance** on a large scale, particularly in small towns, but this would imply a major cultural change in their role and require the development of the appropriate applications to assist them in this respect.
- 4 Correios has the **potential to sell insurance online**, especially with the ongoing digitalization of its operations and the launch of its marketplace, provided the insurance products are well designed and offered **as bundles**.
- 5 Business continuity **needs to be anticipated** in the event that the exclusive **insurance partner changes after** five or 10 years.



DETAILED CASE STUDIES

POS INDONESIA

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

Indonesia is home to 149 insurance companies, including 58 life insurance companies (of which nine are sharia-compliant), primarily offering unit-linked, endowment and term life insurance; 78 general insurance companies (of which nine are sharia-compliant), focusing predominantly on credit life, property and motor insurance; nine reinsurance companies; and four social and compulsory insurance providers. Despite this diversity, insurance penetration in Indonesia remains low, at 2.27% in 2022, marking a decline from previous years. This reduction can be attributed to two main challenges that the regulator, OJK, is actively addressing: limited financial literacy, particularly with regard to insurance products, and restricted distribution channels in rural areas. OJK is also exploring strategies to enhance protection for small, medium and in particular micro enterprises, with micro-entrepreneurs representing 96.9% of the national workforce. Since 2017, OJK has promoted the development of microinsurance, defining it as a range of simple and affordable products that offer fast claims processes. However, by 2022, microinsurance products specifically regulated according to this definition represented less than 1% of total premiums in the country. OJK is currently reviewing strategies to ensure better alignment between product offerings and market needs.

Several regulatory measures have been introduced to ease the distribution of microinsurance:

Sales agents are not required to obtain a formal licence, but must undergo appropriate training provided by insurers;

New microinsurance products can be launched with a simple notification to OJK, without the need for product approval;

Digital distribution is permitted, provided customers receive essential information, including details of benefits, premiums, coverage periods and claims procedures.

In addition, to further promote financial services, two key initiatives have been introduced:

A digital finance sandbox, which allows approved participants to test innovative digital financial services in a relaxed regulatory environment for a limited period;

Laku Pandai agents (branchless financial services) have also been authorized since 2022. These individuals or legal entities provide banking and financial services outside traditional office networks, partnering with financial institutions and utilizing technology to advance financial inclusion throughout the country.

Historical vision and strategy for the Post

Pos Indonesia's transformation gathered pace in 2009 with the opening up of the logistics sector to private and digitalized companies. The transformation is based on multiple strategic pillars, including:

Diversification of activities: Pos Indonesia has expanded into financial services, with traditional postal services accounting for only 8% of total revenue in 2022, while financial services represented 23%. The company is focused on developing five financial service lines: payment, insurance, credit, investment and savings;

Digitalization of operations: the launch of applications such as PosAja!, Glid and Pospay has streamlined digital operations;

Development of field agents: Pos Indonesia has built a network of 20,000 field agents to promote digital solutions;

Distribution of public social benefits.

For nearly 20 years, Pos Indonesia's customers have been able to use its physical and digital platforms to pay their premiums for insurance purchased elsewhere. The Post started distributing insurance products seven years ago and is focusing on microinsurance due to its favourable legal framework and simple sales processes. Looking ahead, Pos Indonesia aims to establish itself as a leading aggregator of microinsurance solutions in the market.

Milestones

Late 2000s: Started offering facilitation of insurance premium collection (for insurance purchased elsewhere)

2018: Started distributing a microinsurance product with Heksa Insurance

2022: Started distributing BPJS-TK services

2023: Started distributing a microinsurance product with Sunday Insurance

Key stakeholders

PT **Heksa** Solution Insurance was established in 1988, when the National Police and Armed Forces Retirees Cooperative established a financial services business unit. In 2002, this unit was officially recognized as a legal entity through the acquisition of PT Ongko Life Insurance, subsequently rebranded as PT Heksa Eka Life Insurance. In March 2016, the company changed its share ownership to adapt to evolving market dynamics. It is currently owned by multiple private and public shareholders.

Sunday Insurance Indonesia was established in 1988 as PT Asuransi Hastin Utama, focusing on general insurance. In 2007, it was acquired by KSK Group Berhad, a leading Malaysian insurance conglomerate. In 2023, the company rebranded as Sunday Insurance Indonesia following KSK's integration into the insurance technology group Sunday Ins Holding. Sunday Ins aggregator, a subsidiary of Sunday Holdings, has been operating since 2017 as a digital brokerage company offering life and non-life insurance services. Pos Indonesia currently partners with Sunday

aggregator to distribute insurance products, starting with those from Sunday Insurance.

BPJS is the social security agency charged with implementing the government's social security programme. BPJS-TK⁶¹ is a government programme for non-waged workers.

OUTCOMES

Scale

Pos Indonesia has successfully distributed over 1.7 million BPJS-TK contracts in the past two years. Furthermore, since partnering with Heksa Insurance and Sunday Insurance, the Post has issued over 60,000 insurance policies, with the majority of these being Sunday Insurance policies in 2024, due to their significantly lower premiums.

Social impact

Access to insurance: Most of Pos Indonesia's microinsurance customers were previously covered under BPJS Kesehatan, the government's social security scheme, but had not subscribed to any other insurance solutions.

Effective payment of claims: The claims ratio has been very low over the past seven years, due in part to a low claims declaration rate. Most declared claims have been paid, with only one claim rejected in 2023 because it exceeded the 40-day claim declaration period.

Sustainability/financial outcomes

Income from microinsurance is currently negligible for Pos Indonesia, representing only 0.05% of total revenue. Income from insurance, derived from fees on premiums paid through Pospay,⁶² accounts for just under 1% of total revenue. Pos Indonesia is currently requesting 30% sales commission on premiums from its private microinsurance partners, regardless of the product line. Investment in the inclusive insurance model is currently limited from both Pos Indonesia and its partners, constraining scalability and affecting the profitability of the model for all stakeholders. In the short term, Pos Indonesia is targeting approximately 265,000 USD⁶³ in annual revenue from its microinsurance activities with private partners, which will certainly require further investment in this business line. While no commission is paid by the government for distributing BPJS-TK products, Pos Indonesia does receive a fee of 0.22 USD per transaction from customers.

61 www.bpjsketenagakerjaan.go.id/en/bukan-penerima-upah.html

62 Pos Indonesia's application for financial services.

63 Where 1 USD = 15,750 IDR.

BUSINESS AND OPERATING MODEL

Products

Pos Indonesia provides microinsurance solutions under three primary models: direct distribution of microinsurance products in collaboration with private insurance companies; direct distribution of BPJS-TK products; and indirect distribution of microinsurance products through the aggregator Sunday, which consolidates offerings from multiple insurance companies.

Partner	Product	Main cover and benefits	Premium
Heksa Insurance	Term life	191 USD in the event of death or permanent disability, all causes (illness or accident)	0.32 USD per month
	Term life		Max. 12.74 USD per year
Sunday	Term life	Death or permanent disability, all causes (illness or accident) Benefits depend on the cause of death/disability, with accidental death benefit ranging from 127 to 637 USD	888 for funeral assistance 533 for food assistance
	Travel	Travel delay	1.27 USD per week
BPJS-TK	Old age security	Retirement savings plan	1.27 USD per month
	Employment injury Security	Illness or work accidents caused by the work environment	1.27 USD per month
	Death security	Death which is NOT due to a work accident or work-related illness	

Currently, 99% of monthly sales are accounted for by BPJS-TK, with most sales being in the retirement plan segment, demonstrating the attractiveness of mixed insurance solutions⁶⁴ to low earners (the target population). While customers can simultaneously hold up to eight private term life policies, most opt for a single one-month policy and do not renew it after the initial term. Pos Indonesia is actively looking to launch new product lines; however, the rollout of motor insurance has been postponed owing to disagreements with insurance partners about the proposed 30% commission rate for these products.

64 Mixed insurance refers to insurance offerings that have both an insurance and a savings element.

Clients

Pos Indonesia primarily aims to deliver financial services through its Pospay wallet to the unbanked population in tier-two and tier-three cities.⁶⁵ Among the Post's microinsurance offerings, BPJS-TK is available exclusively to independent workers, such as street food restaurant owners and motorcycle taxi drivers.

Capabilities

Pos Indonesia operates a network of 4,518 post offices across six regions – consisting of 42 main branch offices, 168 branch offices, and 4,308 sub-branch offices – and employs a total of 6,502 postal clerks. It acts as a “fronting” (intermediary) agent for insurance partners and does not require a licence to distribute microinsurance products or collect insurance premiums through its wallet service.

Partnerships

Pos Indonesia currently distributes two products through Sunday Ins aggregator, provided by Sunday Insurance Indonesia. Both Sunday and Pos Indonesia aim to expand the portfolio of indirect microinsurance partners. Pos Indonesia has distributed microinsurance products in partnership with Heksa Insurance for seven years, and in partnership with Sunday and BPJS for two years. The agreement with Heksa Insurance is valid until at least 2026, and the agreement with Sunday Insurance is in effect until 2025. Looking ahead, Pos Indonesia aims to develop into an insurance aggregator with a brokerage licence. For 17 years prior to launching its microinsurance activities, Pos Indonesia facilitated premium collection for traditional insurance products. It currently partners with two traditional insurance companies to collect premiums (Prudential and Takaful Umum) and manages the government social security programme (BPJS Kesehatan). At this stage, Pos Indonesia does not sell traditional insurance and does not plan to do so, as this would require obtaining additional licences and providing more intensive training for postal clerks.

Operations

Subscriptions

Insurance products are sold to customers who visit the post office to make a financial transaction, such as tax payments or utility bill payments. The postal clerk informs the customer about available microinsurance offerings, and, where the customer expresses an interest, the clerk checks the customer's ID, ensures that they are within the permissible age range for the policy, and imports their personal data from the national database using their ID number. The customer is then registered in the Pos Indonesia back-office system, known as Pospay Loket. Once the client has paid the premium, the postal clerk prints and provides the customer with a payment receipt. The customer receives the e-policy by e-mail, and all new subscription data is transmitted to the partner insurance company by file transfer protocol within 24 hours.

Premium collections

Most monthly premiums are paid in cash or via the national QR code system (known as Quick Response Code Indonesia Standard). While annual policy instalments can be paid by direct debit, this option is rarely selected by microinsurance customers.

Claims validation and payment

Pos Indonesia's microinsurance partners fully manage the claims process. Claims are disbursed through bank transfers or digital wallets. To initiate a claim for death coverage, three documents are required: a death certificate, a copy of the beneficiary's ID, and the insurance subscription receipt. Sunday products have a seven-day waiting period, and claims can only be submitted within 40 days following the end of the insurance policy. For claims under 191 USD (3 million IDR), Sunday Insurance allows document submission via WhatsApp, with payments processed within three working days of receipt of all necessary documents. For claims exceeding 191 USD, hard copies of the claim documents must be submitted. Sunday Insurance commits to processing these claims within 14 days of receiving all documentation.

After-sales service and quality control

After-sales processes are fully managed by the insurance partners.

⁶⁵ Tier-two cities are those which are undergoing significant growth and development, often acting as regional hubs; tier-three cities are those which are undergoing less rapid development.

Information systems and digital tools

Digital transformation is central to Pos Indonesia's strategy as it strives to remain competitive following the entry of highly digitalized private companies into the logistics sector. To support this transformation, Pos Indonesia has developed three key applications: PosAja! for courier services, Glid for logistics, and Pospay for financial services. While five million users have registered for Pospay, only 300,000 are active. The Post intends to increase the proportion of active users to at least 10%. Pospay currently supports premium payments for traditional insurance products, but future updates will add features such as insurance subscription, premium payment and claims management for both traditional insurance and microinsurance. Despite these developments, customers are unlikely to purchase insurance directly through the app without the assistance of a salesperson, whether in person or through a call centre. Pos Indonesia's back-office operations, including the management of Sunday products, are carried out using its proprietary system, Pospay Loket, which integrates with Sunday's information systems via an API.

Marketing

Currently, limited investment is being made in microinsurance by Pos Indonesia and its partners. Pos Indonesia conducts social media campaigns to promote Pospay, particularly on Instagram and TikTok, posting approximately 20 times per month to convey the message that "you can buy anything on Pospay". Of these posts, two to three per month focus specifically on Pospay's insurance services. Microinsurance partners have also promoted their collaboration with Pos Indonesia on their own social media platforms, albeit to a limited extent. During the launch campaigns, they distributed posters, brochures and banners to approximately 10% of post offices. As of now, no dedicated customer surveys have been conducted to assess the need for microinsurance protection.

Sales organization

Pos Indonesia's microinsurance solutions are sold exclusively by postal clerks, either at the counter or directly on the street to independent workers. Postal clerks frequently cross-sell insurance to customers seeking other services, such as remittances and social benefit collections. Quarterly incentive programmes that reward the top-performing post offices are organized by BPJS-TK and have been tested by both Heksa and Sunday. Of the 30% commission earned by Pos Indonesia, 7.25% is paid to the postal agencies handling the sales. However, postal clerks are not directly incentivized by either Pos Indonesia or its insurance partners, as this practice is not in line with Pos Indonesia's good corporate governance policy. Microinsurance revenue targets are set and shared at the management level, while clerks' objectives are based on the total "value of accounts" of their customer portfolio. Sales training for microinsurance is limited to a one-hour online session organized by the insurance partners. Pos Indonesia has developed a process to quickly onboard micro-entrepreneurs as independent sales agents to accelerate the adoption of the Pospay application by prospective customers. So far, 50,000 independent agents have signed up at post offices, and 150,000 remotely, notably through the dedicated Pospay Agen app. Pos Indonesia's sales partners carry out know-your-customer procedures and verify the applicants' data, ensuring that their onboarding helps to meet business needs. (Are they in a strategic location? Do they run a business, such as a shop? Do they have space to operate?) Once approved, agents can sell most Pos Indonesia products, especially in rural areas, but not microinsurance products.

Swot analysis of the business and operating model (at inception and/or today)

STRENGTHS

Nationwide network of 4,518 post offices

Strong partnership with the government to distribute public social benefits, in particular BPJS-TK microinsurance for independent workers

Robust proprietary information system, enabling the printing of insurance receipts and policy details

A technological partner, Sunday Aggregator, capable of implementing technical solutions to deliver insurance products within three months of launch, across all agencies

Network of nearly 200,000 independent business agents [*]

Proprietary digital wallet, Pospay, which has the potential to facilitate automatic premium payments in the future [*]

OPPORTUNITIES

Population of 275.5 million and insurance penetration rate of 2.27% in 2022

Attractiveness of the market to global insurers

WEAKNESSES

Relatively narrow microinsurance product line, which could benefit from a better understanding of prospective customers' needs, and limited added value of one-month term life policies for customers

Difficulty in effectively incentivizing postal clerks to actively promote microinsurance products

Limited direct debit options via digital wallets

Need to strengthen the sales organization and performance management system by introducing dedicated dashboards and clearly defined sales targets, etc.

Modest investment in marketing and sales support, along with limited capabilities of the insurance partners

Inherent complexity of introducing an agile go-to-market strategy within a large public company

THREATS

Entry of more digital and agile private competitors

Dependency on the distribution of governmental social benefits, which could decrease in the future

* strength that could be leveraged in the future

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

- 1 **The distribution of public benefits by Pos Indonesia contributes significantly to the company's profitability.** In 2023, core postal services generated 8% of Pos Indonesia's total revenue, while logistics and financial services accounted for 40% and 23%, respectively. These revenue streams are primarily driven by government social programmes. Likewise, the government's microinsurance programme for independent workers (BPJS-TK) represents over 99% of Pos Indonesia's microinsurance income.
- 2 **By adopting a multi-partner model, Pos Indonesia has successfully expanded its product portfolio and achieved a substantial reduction in term life premium costs for its customers.**
- 3 **Partnering with Sunday, a tech-enabled insurance aggregator, has enabled Pos Indonesia to launch two new insurance products with a new partner in just three months.**
- 4 **Pospay, Pos Indonesia's digital wallet, has the potential to facilitate the distribution of insurance solutions throughout Indonesia, as long as individual sellers actively support the subscription process.**

FUTURE GROWTH DRIVERS

- 1 **Pos Indonesia could significantly increase its insurance penetration by enhancing its microinsurance offering, with a strong focus on understanding and addressing customer needs.** To achieve this, it is advisable to discontinue one-month life insurance products. Other essential steps include conducting surveys to assess the population's protection needs, minimizing claim restrictions, streamlining the claims process, and providing comprehensive training for sales agents to ensure exceptional customer support.
- 2 **Implementing a robust and focused insurance sales management system** is essential for scaling microinsurance sales. This system would establish clear sales targets, introduce a specialized dashboard for continuous performance tracking, actively engage insurance partners in follow-up, and intensify the focus on insurance sales through well-planned initiatives. It is also essential to consider options for incentivizing postal clerks and enhancing marketing and sales support for agencies.
- 3 Once product offerings and sales management are optimized, Pos Indonesia could further **leverage two of its strongest assets – its digital platform (Pospay) and its network of 200,000 independent agents** – to substantially increase microinsurance sales volumes.
- 4 **Collaborating with a leading insurance provider** within Pos Indonesia's multi-partner model could substantially accelerate the scaling of the Post's microinsurance operations.

DETAILED CASE STUDIES

LA BANQUE POSTALE (FRANCE)

BACKGROUND – THE PREMISE AND ENABLERS FOR DEPLOYING POSTAL INCLUSIVE INSURANCE

Local context and problems to be solved

France is the leading insurance market in the European Union and the fifth largest in the world. In 2022, 257 insurance companies were operating in the country, comprising 83 life insurers and 174 non-life insurers, and personal injury protection accounted for 49% of non-life direct insurance premiums, followed by motor insurance at 20% and property insurance at 17%.⁶⁶ Savings insurance is particularly popular in France due to its specific tax advantages, with 40% of French households having subscribed to such products. Additionally, 96% of the French population benefits from complementary health insurance.⁶⁷ In recent years, the cost of insuring three significant risks – economic, climate and cybersecurity – has been increasing. All insurance activities in France are regulated by the Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudenciel et de Résolution), a dedicated regulatory entity operationally attached to the French Central Bank. There is currently no specific regulation for microinsurance. Instead, all insurance activities are governed by the French Code des Assurances (“Insurance Code”).

Historical vision and strategy for the Post

La Poste, the French postal service, has a rich history dating back to its establishment in the 16th century. Over the years, it has evolved from a traditional mail delivery service into a multifaceted organization that includes banking and insurance services. This transformation reflects the Post’s broader vision of adapting to societal changes and technological advancements while maintaining its commitment to public service.

In response to changing market dynamics, La Poste expanded its offerings beyond mail delivery to include financial services through LBP and insurance products. This diversification aims to meet the evolving needs of customers and enhance financial inclusion. La Poste’s current strategic plan, La Poste 2030, emphasizes sustainable growth and social responsibility. It aims to strengthen the Post’s role in local communities by offering services that address demographic changes, digital transitions and ecological challenges. The plan includes enhancing the Post’s insurance offerings as part of a broader commitment to financial services.

La Poste’s first foray into insurance began in 2006 with the establishment of LBP, which integrated banking and insurance services. Its strategy focuses on providing accessible insurance products tailored to the needs of individuals and small businesses, particularly in underserved areas.

As of 2020, La Poste Group is 34% owned by the French State and 66% owned by the Caisse des Dépôts et Consignations.⁶⁸ LBP has progressively increased its financial participation in CNP Assurances, achieving a 100% stake in 2022. This evolution has enabled La Poste Group to diversify its strategic model further, with LBP adopting a comprehensive bancassurance approach.

⁶⁶ Figures for the French banking and insurance sector”, 2022, French Prudential Supervision and Resolution Authority, available (in French) at [acpr.banque-france.fr](https://www.acpr.banque-france.fr).

⁶⁷ “Insurance in France”, October 2024, France Assureurs, available (in French) at www.franceassureurs.fr.

⁶⁸ The Caisse des dépôts et consignations is a French public financial institution created in 1816, often referred to as the investment arm of the French State.

LBP's 2030 strategy focuses on three key pillars: digitalization, diversification and differentiation, reflecting its "citizens' bank" DNA.

Both LBP and CNP Assurances have embedded public service and inclusion in their core missions:

Purpose statement of LBP:

"Because it was created with the purpose of serving the public, La Banque Postale believes there can be no long-lasting value creation without redistribution, no economic growth without local prosperity, and no sustainable development without respect for planetary boundaries. By offering high-quality accessible services, our purpose is to enable everyone to fulfil their potential and to contribute, through their investment, savings, insurance and consumption choices, to building a society that is more attentive to the planet and all who live on it. As a committed banker and insurer, it is our desire to work towards this just transition alongside our customers and employees."

Purpose statement of CNP

Assurances: "Responsible insurers and investors driven by our group's civic vocation, we act with our partners for an inclusive and sustainable society by providing as many solutions as possible that protect and facilitate all life courses."

Milestones

- 2006:** Creation of LBP through the transfer of all La Poste bancassurance activities (savings, deposits, loans)
- 2010:** LBP launches a property and casualty insurance business
- 2010:** LBP becomes a public limited company
- 2021:** LBP's corporate purpose is incorporated into its bylaws
- 2021:** CNP Assurances' corporate purpose (raison d'être) is incorporated into its bylaws
- 2022:** LBP becomes a "mission-driven company" as per the Law on Business Growth and Transformation
- 2022:** LBP becomes 100% shareholder of CNP Assurances

Key stakeholders

In April 2023, LBP and CNP Assurances announced the creation of a dedicated division consolidating all La Poste Group insurance activities and legal entities under CNP Assurances Holding, which is wholly owned by LBP. This holding company includes CNP Assurances SA, which generated 35.6 billion EUR (38.45 billion USD)⁶⁹ premium income in 2023, as well as the four insurance former subsidiaries of LBP (Property and Casualty, Health, Protection, and Advisory), which collectively earned 1.1 billion EUR (1.18 billion USD) in 2022.

LBP is now the eleventh largest bank in the Eurozone, serving 20 million clients, including retail customers, businesses and local public service entities.

69 The average EUR-USD exchange rate for 2023, i.e. 1 EUR = 1.08 USD, taken from the [European Central Bank website](#), is used throughout the study.

CNP Assurances was established in 1959 through the consolidation of three Caisse des Dépôts funds: the National Death Insurance Fund (1868), the Retirement Pension Fund (1850) and the National Accident Insurance Fund. It became a public limited company in 1992 and was listed on the stock exchange in 1998, before becoming a fully public company owned by LBP in 2022. CNP Assurances is currently the leading term credit insurer in France, the second largest life insurance company in the country, and the fifth largest insurance company in Europe. It provides protection coverage to 36 million policyholders worldwide and serves 14 million customers with savings and retirement plans.

OUTCOMES

Scale

In 2023, CNP Assurances' key figures were as follows:

Premium Income: 35.6 billion EUR (38.45 billion USD)

Attributable net profit: 1.55 billion EUR (1.67 billion USD), reflecting a 65% increase from the previous year

Total number of policyholders: around 36 million insured under personal risk and protection policies and 14 million savings and pensions policyholders globally

Green investment: CNP Assurances reported 27.2 billion EUR (29.38 billion USD) in green investments, highlighting its commitment to sustainable finance

The premiums collected through LBP amounted to 9.6 billion EUR (10.37 billion USD), representing 45% of the total premiums collected in France and 27% of the premiums collected globally by the CNP Group.

Social impact

CNP Assurances is committed to making a positive social impact through various initiatives and strategies aimed at promoting inclusivity and sustainability. Here are some key aspects of its social impact:

Combating exclusion: CNP Assurances actively works to combat all forms of social exclusion. This includes using its purchasing power to support the integration of individuals who have fallen out of the labour market, thereby fostering employment opportunities;

Support for social projects: The CNP Assurances Foundation supports projects that enhance community well-being. This includes initiatives focused on education, health-care access and social equality, particularly in vulnerable neighbourhoods;

Responsible investment: CNP Assurances implements a responsible investment strategy, managing an investment portfolio of over 300 billion EUR (324 billion USD). The strategy emphasizes environmental, social and governance criteria, aiming to finance projects that contribute to sustainable development and support a low-carbon economy;

Sustainable practices: CNP Assurances is committed to minimizing its environmental impact and has set ambitious goals for carbon neutrality in its investment portfolio by 2050. This includes initiatives to reduce greenhouse gas emissions and promote energy efficiency in its operations;

Promoting financial inclusion: By offering accessible insurance products, CNP Assurances aims to enhance financial inclusion, ensuring that underserved populations can benefit from financial protection and savings options.

Sustainability/financial outcomes

LBP has reported strong growth in premium income, which totalled approximately 8 billion EUR (8.64 billion USD) for 2023. This reflects the bank's focus on expanding its insurance offerings and enhancing customer access. Its net banking income from insurance activities has shown a positive trend, contributing significantly to its overall revenue. In 2023, the insurance segment contributed around 1.5 billion EUR (1.62 billion USD) to net banking income. The insurance segment has experienced a growth rate of about 10% year-on-year, driven by increased demand for life and health insurance products, particularly in the context of rising awareness around financial protection.

LBP serves approximately 5.1 million insurance policyholders, reflecting its extensive reach and commitment to providing accessible insurance solutions.

BUSINESS AND OPERATING MODEL

Products

LBP is committed to promoting inclusivity in its insurance offerings through a number of key objectives, as follows:

Accessibility for all: LBP aims to provide insurance products that are affordable and accessible to a wide range of customers, addressing low-income and vulnerable populations. This includes developing simple and transparent products that meet the specific needs of these groups;

Combating financial exclusion: The bank actively works to address financial exclusion by creating initiatives that support financially vulnerable customers. This includes partnerships with social organizations to develop tailored solutions that help individuals to gain access to essential insurance services;

Social and environmental responsibility: LBP has integrated social and environmental objectives into its business model, committing to a just transition. This means ensuring that its insurance products not only provide financial protection, but also contribute positively to society and the environment;

Innovative solutions: The bank is committed to developing innovative insurance solutions that address emerging needs, such as climate-related risks. This includes offering products that incentivize sustainable practices among policyholders;

Monitoring and accountability: LBP has established a dedicated steering committee to oversee its inclusivity objectives, ensuring that its actions align with its mission and that progress is regularly assessed. This accountability helps to maintain a focus on inclusivity goals across all operations.

LBP aims to create a fully inclusive insurance portfolio, reflecting its core values and purpose. Each new product launch is evaluated for inclusivity. For instance, the bank positions itself as the least expensive physical bank in the market. Efforts to improve the accessibility and affordability of CNP Assurances' insurance products are ongoing, with recent developments also influencing national standard practices. Examples of these efforts are as follows:

Decrease in the premium for the term life standalone product in 2022;

Decrease in the minimum premium/investment amount for Cachemire savings insurance, now starting from 50 EUR/month (54 USD/month) with a 70 EUR (75.6 USD) initial investment;

Democratization of investment solutions usually reserved for wealthy clients to all types of client;

Removal of additional premiums or exclusions for persons having had breast cancer, who can now subscribe to a credit life insurance product for real estate or professional projects without facing additional premiums or exclusions, and without the need to wait five years for their personal data to be erased;

Launch of an accessible legal protection product for 7 EUR/month (7.6 USD/month);

Distribution of affordable daily life accident insurance (starting from 12 EUR/month (13 USD/month)), with a dedicated subscription offer for single-parent families;

Inclusion of affordable term life insurance (15 EUR/year (16.2 USD/year)) in the classic bank account package (Séralys);

Minimization of home and car insurance franchises;

Launch of family assistance coverage, providing financial support to parents whose children are affected by illness or disability. This benefit will be included in group borrower insurance policies and will cover up to 50% of monthly mortgage payments for up to 28 months;

Efforts to develop protection solutions in the event of disability, including two savings products that provide capital in the event of the insured person's disability or of his/her children's disability, and adaptation of subscriptions and claims processes for customers with disabilities;

Provision of dedicated assistance services for caregivers through the CNP Assurances' subsidiary Filassistance.

Inclusivity at LBP goes beyond product offerings to include strong customer support in understanding and selecting the financial services they need. For the past decade, LBP has provided L'Appui, a unique, confidential, and free service that offers financial support to help clients to prevent or address financial difficulties and manage recurring or occasional budgetary challenges.

Clients

LBP aims to serve all citizens and currently has 18 million clients in France. It is often viewed as the bank that does not exclude any customers, reflecting its public service mission. Clients are segmented into five categories: high-net-worth individuals, adults with specific needs (under guardianship), adults, young adults, and vulnerable populations. LBP's mission includes specifically supporting vulnerable populations to help them to find the most suitable financial or protection solutions. These solutions are specifically developed by a dedicated vulnerable populations department to address three key customer segments:

- 1** Clients covered by the national banking accessibility plan (the Mission d'Accessibilité Bancaire) (i.e. the 1.3 million individuals excluded from the traditional financial system);
- 2** Financially fragile clients, i.e. those with a net monthly income below 1,216 EUR (1,313 USD) and/or who experience temporary financial difficulties (i.e. 1.7 million LBP customers);
- 3** Protected adults under French law, i.e. individuals unable to manage their own affairs due to a medically confirmed impairment of their mental or physical faculties, preventing the expression of their will (approximately 230,000 clients).

Capabilities

La Poste remains a leader in mail delivery, handling millions of letters and parcels daily. It operates an extensive network of over 17,000 post offices, ensuring that 97% of the population can access services within a short distance of their homes. Its network consists of approximately 7,000 banking advisors and 15,000 customer relations officers, of which 10,000 are authorized to sell simple insurance products.

Operations

Subscriptions

Insurance is systematically offered when opening a postal bank account. Insurance assessments are conducted separately after the account opening or when the system indicates that a client lacks insurance with LBP. If a customer is flagged by the system or a clerk as vulnerable, the postal bank officer reaches out to schedule an appointment to discuss the situation and potential banking solutions, including insurance options.

Online sales primarily focus on mandatory products, such as home insurance and auto insurance.

Where postal banks are established in foreign countries, insurance offerings are made available from the outset.

Premium collection

All premiums are deducted from the client's postal bank account, typically by automatic debit. Clients cannot pay insurance premiums using a savings account, e.g. Livret A.

Claims validation and payment

Claims can be reported to CNP by phone, e-mail, post, or online. Postal clerks are available to assist clients in filing claims. Claims documents can be submitted by post or online through a dedicated e-beneficiary platform, which is used in nearly 20% of cases.

After-sales service and quality control

After-sales processes are entirely managed by the insurance partner, with support from LBP's advisors or customer relations officers. In partnership with Deafi, a video platform has been established to enable deaf clients and prospects to communicate, subscribe to and manage insurance products and declare claims.

Governance

To enhance its insurance services and integrated bancassurance model, LBP established a dedicated savings and insurance division in 2021, while CNP Assurances created a corresponding business unit to manage its operations through LBP. CNP Assurances' purpose statement and inclusivity focus are overseen by its corporate social responsibility department, with inclusivity KPIs managed by dedicated employees and focal points in each business unit. Its executive committee directly monitors corporate social responsibility KPIs. CNP Assurances is increasingly partnering with associations to better understand inclusion challenges and co-develop future offerings.

Information systems and digital tools

LBP manages most operations, including insurance, through a unified software platform known as Cap Client, implemented in 2019 to replace multiple legacy systems. Digitalization is a core pillar of La Poste's 2030 strategic plan, with a goal to renovate and digitalize all 7,000 post offices by 2027. All banking and insurance services can be accessed via LBP's mobile application. In the commercial space, postal clerks use tablets with the Smarteo app to facilitate activities such as new account openings and routine banking transactions.

Postmen are equipped with mobile devices that support their courier services, although these devices do not include any offers from LBP. The information systems of LBP and La Poste are fully segregated in accordance with the General Data Protection Regulation, ensuring no data-sharing or cross-selling.

LBP is dedicated to promoting digital inclusion among these populations.

Marketing

A fundamental component of CNP Assurances' inclusion strategy is enhancing the accessibility and comprehensibility of product marketing materials and contracts. To this end, CNP Assurances has implemented an internal "clear language" label, which will be applied across all product offerings. To better understand customer needs, LBP's savings and insurance division conducts surveys with both clients and agents. The insights gained from these surveys are shared with CNP Assurances teams to foster the collaborative development of innovative and customer-centric offerings.

Sales organization

Roles of customer relations officers:

Offer legal protection insurance, youth home insurance and daily life accident insurance in the commercial space.

As part of the Post's transformation plan, customer relations officers will increasingly be equipped to distribute a wider range of financial products, including insurance. They play a crucial role in serving vulnerable populations as their first point of contact.

Sales objectives:

Sales goals are jointly set by LBP's savings and insurance division and CNP Assurances teams, with the aim of increasing the sales focus and providing clients with both life and non-life protection.

This is facilitated by the introduction of bundled "duo" products, which offer specific discount advantages to clients.

Advice and support:

The advisory and support role of banking advisors and customer relations officers is central to LBP's distribution approach;

A simulator is available to help banking advisors to identify customers' protection needs based on their personal and economic circumstances, in particular vulnerable customers.

Training requirements:

In compliance with French law, banking advisors receive 150 hours of insurance training (50% theoretical, 50% practical) to be certified, along with an additional 15 hours of annual training to maintain their expertise;

Customer relations officers receive 35 hours of insurance training tailored to their specific distribution responsibilities;

Training is conducted partly by LBP's Ecole de la Banque et du Réseau ("Bank and Network School"), the corporate learning centre of LBP, and by CNP Assurances sales support teams.

Sales incentives:

Monetary incentives are set by LBP based on overall multi-product performance, and are paid on a quarterly basis.

Sales performance management:

Rather than relying heavily on monetary incentives, LBP describes its sales strategy as having two pillars – purpose and steering (sens et pilotage), both supported by middle management at each post office;

Since 1993, all postal agents must take an oath upon joining La Poste, committing to serve clients with integrity, confidentiality and diligence.



Swot analysis of the business and operating model (at inception and/or today)

STRENGTHS

Network of 17,000 points of sale spread across the country

A strong public service mission, defined and operationalized through LBP's status as a mission-driven company

High level of trust in the La Poste brand among the population

Successful digital transformation of the La Poste Group, and robust information systems, including back-office systems and sales simulators

Large insurance company, able to mutualize risk among diverse risk-profile clients

Expertise in financial inclusion and insurance, supported by LBP's 100% ownership of CNP Assurances

Reinforced governance, with dedicated LBP teams to address vulnerable populations

Organized commercial spaces in postal offices to enhance customer

OPPORTUNITIES

Development of new inclusive offerings to better meet the population's needs, such as affordable mixed insurance, dedicated products for older persons, and bundles of life and non-life insurance products

If the French state launches an insurance accessibility plan, inspired by the banking accessibility plan, CNP Assurances and LBP would be the ideal partners to implement it

WEAKNESSES

Objectives and governance have been set, but the actual implementation is still under appraisal.

Separation of LBP and La Poste information systems and client databases in accordance with the General Data Protection Regulation

THREATS

Rise of fintech companies and digital-only banks poses a significant threat, as they often provide more innovative and flexible insurance solutions

The insurance sector is heavily regulated, and changes in regulations can affect operational flexibility and profitability

Economic downturns can affect consumer spending on insurance products, affecting overall revenue and growth potential

KEY LEARNINGS – LEVERAGED GROWTH DRIVERS

- 1 Both LBP and CNP Assurances have embedded inclusion in their purpose statements, and define it broadly, thus not limiting their efforts to serving the lowest-income populations with dedicated products, but working on making their full insurance offer inclusive.**
- 2 La Poste Group and CNP Assurances demonstrate that, with a strong, mission-driven mindset and a broad customer base that includes low-, medium- and high-income individuals, it is possible and acceptable to offer products to vulnerable customers in a way that prioritizes social impact over financial gain.**
- 3 LBP promotes inclusivity not only through tailored product offerings, but also by providing comprehensive human support to vulnerable populations in accessing and managing essential financial services.**
- 4 Sales excellence at LBP is built on two pillars: purpose and performance management. Monetary incentives are intentionally a secondary sales driver, as they are seen as less sustainable and less aligned with the group's public service mission.**
- 5 Both CNP Assurances and LBP have established dedicated teams to drive and fast-track the expansion of their integrated bancassurance model.**

LBP has set up a specialized savings and insurance division, along with a marketing team focused on vulnerable populations. CNP Assurances, in turn, created a business unit specifically to oversee and optimize insurance distribution through LBP.



FUTURE GROWTH DRIVERS

- 1 Continue operationalizing its inclusive purpose statement.**
- 2 Research the population's needs and develop new, more accessible protection solutions, engaging the entire ecosystem in order to increase the inclusivity of current offerings and potentially set a benchmark for other insurers.**



APPENDIX

SUMMARY OF BEST-SELLING PRODUCTS AND CUSTOMER NEEDS ACROSS CASE STUDIES⁷⁰

COUNTRY	HIGHLY DEMANDED/ BEST SELLING POSTAL INSURANCE PRODUCTS	CUSTOMER NEEDS ADDRESSED
Morocco and Brazil	Funeral	<ol style="list-style-type: none"> 1. Peace of mind: avoiding financial burden/indebtedness for relatives caused by funeral-related expenses. 2. Dignity in death: ensuring a culturally appropriate burial or ceremony. 3. Insurance cover with affordable premiums and simple processes. Funeral products may sometimes be used by low-income populations as an alternative to life insurance schemes.
Tanzania	Motor insurance	<ol style="list-style-type: none"> 1. Legal compliance: third-party insurance is often obligatory across countries. 2. Comprehensive motor insurance can provide a range of benefits including accidental damage, theft, medical expenses cover.
India	Endowment insurance	<ol style="list-style-type: none"> 1. Tangible benefits of premiums invested thanks to both an insurance and savings element. 2. Guaranteed payout at maturity which can be used for specific financial goals such as funding a child's education, buying a home, retirement etc. 3. Financial benefits: Profit sharing in the form of bonuses when the insurance company performs well and an advantageous tax regime. 4. Flexibility in premium payment and policy duration.
	Group personal accident	<ol style="list-style-type: none"> 1. Affordable premiums thanks to the grouped purchase of policies by the post 2. Wide-ranging accidents covered: providing financial compensation and lump-sum payments in case of disability or death
Indonesia	Old age, employment and death security product from government	<ol style="list-style-type: none"> 1. Tangible benefits of premiums invested thanks to both an insurance and savings element. 2. Compliance: informal sector workers need this insurance to access to certain social services and benefits 3. Subsidised affordable premiums
France	Savings insurance	<ol style="list-style-type: none"> 1. Financial security: Option of gaining risk-free returns on savings 2. Financial benefits: Advantageous tax and inheritance regime

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@UNIVERSAL_POSTAL_UNION



@UNIVERSALPOSTALUNION



UNIVERSAL POSTAL UNION

International bureau
Weltpoststrasse 4
3015 BERNE
SWITZERLAND

Tel: +41 31 350 31 11
E-mail: info@upu.int