ACTUARIAL SOCIETY OF SOUTH AFRICA

Microinsurance – an investor's perspective

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About LeapFrog

- In May 2009, LeapFrog Investments raised the world's largest microinsurance fund – approx. $135m
- Leapfrog invests in companies that provide insurance to under-served people in Africa and Asia
- Five investments so far – two in India, one each in South Africa, East Africa and Ghana
- Target – aim to reach 25 million people, of whom 15 million are women and children
- 'Profit with purpose' / 'Impact investing'

How do we think about investments?

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- ‘Microinsurance’ – means different things to different people
- Ending cycles of poverty
    - Safety nets – provides security against shocks
    - Springboards – enables choice and expands horizons
    - Scale – size of challenge must be matched by size of solution
- Partner – alignment
- Value add as an investor

Investments – some considerations

- Types of insurance – life, short-term, health
- Types of business – insurers, distributors, other
- Geography – scale, networks, regulatory, other
- Size - $5m-$20m (portfolio of 8-10 companies)
- Other – ‘build’ versus ‘buy’, minority/majority, start-ups, equity versus debt, exit
- Some examples