bolttech is a large and fast-growing global insurtech that provides tailored and affordable insurance products to consumers via partner platforms, accelerating access to quality insurance in 35+ markets across four continents.

| 14m+ | Active policies |
| $50B | Quoted premiums annually |
| 700+ | Distribution partners |

Accelerating access to affordable, quality insurance

**Sector**
Insurance

**Regional Focus:**
Asia, Global

**Impact Reach:**
2m+ Emerging Consumer customers

**SDG Focus:**
1.4, 1.5, 8.10, 9.c, 10.2
The Challenge

The difference between insured losses and actual losses, known as the protection gap, has risen over the last five years to a peak of $1.8 trillion in 2022. Addressing this growing insurance shortfall is an urgent humanitarian priority, especially in low-income markets where the problem is most acute. According to the United Nations Development Programme, insurance is a key driver for progress towards achieving the world's sustainable development goals. Insurance drives economic growth and builds social and economic resilience by mitigating everyday financial shocks that could otherwise devastate families and businesses.

Various factors contribute to this persistent gap, including rising inflation and rapid economic growth. Additionally, there is a disconnect between the supply and demand for conventional insurance products. Negative perceptions of traditional insurance can hinder demand, as consumers find the idea of purchasing a one-off insurance policy to protect a new possession unnecessary or complicated.

Embedded insurance addresses these concerns by seamlessly integrating coverage options into everyday customer experiences, often at the point of sale. This category of insurance offers the customer convenience while reducing distribution costs for new policies, utilising partnerships between insurance providers and other companies like retailers, telecommunications firms, and ride-sharing applications.

For emerging consumers, smartphones are a key insurable asset. They represent a significant investment and a vital digital gateway to essential services like telemedicine, financial products, mobility, and employment. Mobile phones are also essential business tools: a 10% increase in mobile internet penetration has been shown to drive an estimated 2% rise in GDP in low-income countries. Still, 3.2 billion people in areas with mobile coverage do not use mobile internet, primarily in low- and middle-income countries. The main barriers to access are concerns about device costs and theft.

Root causes of global insurance protection gaps

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<thead>
<tr>
<th>Demand side</th>
<th>Frontier markets</th>
<th>Emerging markets</th>
<th>Mature markets</th>
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<tbody>
<tr>
<td>Affordability</td>
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<td>Awareness</td>
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<td>Behavioural biases</td>
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<td>Supply side</td>
<td>Transaction costs</td>
<td>Adverse selection/moral hazard</td>
<td>Limits to insurability</td>
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<td>Institutions</td>
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</tbody>
</table>

Source: Geneva Association, Global Insurance Protection Gaps, 2018

1 Emerging consumers are defined as those earning less than $11.20 a day (2017 PPP$)
2 Swiss Re, Sigma No2/2023, 2023
3 UNDP, UNDP launches new insurance and risk finance facility, 2021
4 Swiss Re, Sigma No2/2023, 2023
5 Swiss Re, Going Digital: Embedded Insurance, 2023
6 EY, How insurers and new entrants can take advantage of embedded insurance, 2023
7 International Telecommunication Union, Economic contribution of broadband, digitization and ICT regulation: Econometric modelling for Africa, 2019
8 GSMA, State of Mobile Internet Connectivity Report, 2022
9 Pew Research Center, Mobile divides in emerging economies, 2019
bolttech's Solution

bolttech is one of the largest insurtechs in the world, offering embedded insurance and powering connections between insurers, distributors and customers across 35+ markets.

Core to the company's offering is its embedded insurance products sold in partnership with global telcos and equipment manufacturers, financial institutions, e-commerce leaders and other platforms. bolttech averages 250,000 new policy sales per month via these partnerships.

The company specialises in creating tailored and affordable insurance products to match consumer needs. For example, bolttech's device protection policies insure customers' mobile phones against theft, damage and accident, and are often bundled with device purchases or credit. These policies are highly affordable, typically costing 2-10% of the device value over 1-2 years. The company also supplies home contents insurance, sold alongside personal insurance and protection products from consumer finance providers such as Home Credit or fintechs like Maya in the Philippines, and travel or accident coverage sold within apps such as Thailand's Rabbit LINE Pay or Taiwan's JKOPay.

bolttech serves a wide range of customers, including more than 2 million emerging consumers, especially with its device protection policies. In markets such as the Philippines, Vietnam and Indonesia, the devices insured are typically valued at less than $500, with 40% of these entry level smartphones costing less than $200. The company also provides protection for used phones that may no longer be covered under a manufacturer warranty. These policies enable unbanked and underbanked consumers to access cost-effective financial services, while also increasing household income and consumption.

Innovation is core to bolttech's business. Its proprietary Click-to-Protect tool allows for partners to onboard new customers using artificial intelligence to diagnose the condition of any new or used mobile phone. Its e-commerce platform has developed seamless integration tools that help merchants easily bundle insurance products at checkout. On average, it takes less than two weeks for the company to bring new products to market. Policies are directly embedded into the customer journey, reducing friction and for some customers, creating their first interaction with formal insurance providers. bolttech is also a leader in digital customer service and claims support. Customers can digitally file claims for servicing or repairs, reducing reliance on third parties and expediting claims payments, often to less than 24 hours.

bolttech's tech-enabled ecosystem

Source: Company Data, 2022
LeapFrog’s Impact

LeapFrog invested in bolttech in 2023, partnering with the company to drive the adoption of its tech-enabled insurance products in emerging markets.

bolttech is present in 35+ markets to date, and with the help of the LeapFrog team and network of portfolio companies in Asia and Africa, it will penetrate further into existing markets and expand into additional geographies, both organically and inorganically. The primary focus will be addressing the large protection gap in emerging markets across Asia, Africa and Latin America. LeapFrog’s target is to increase bolttech’s emerging consumer customer base from 2 million to more than 6 million over the next five years.

LeapFrog will also support bolttech in creating and underwriting new products with deep impact in adjacent product categories. We see device protection as a gateway to cross-sell other impactful insurance products. For example, data from one bolttech client suggests that 40% of customers signing up for device financing also enrol in credit life insurance simultaneously. LeapFrog’s unique insight into the preferences of low-income consumers, including those from the firm’s Emerging Wealth and Health Index, will guide the evolution of these new products.

LeapFrog’s in-house customer experience team will collaborate with bolttech to enhance existing product convenience and relevance with a focus on reaching underrepresented segments such as women and MSMEs. Our impact team will support the development of an environmental and social management system along with other ESG policies for bolttech, building on existing policies and procedures. The company has already implemented projects to reduce e-waste and improve the recycling rates of the devices that it insures, and with LeapFrog’s support it will continue enhancing the measurement of this impact. LeapFrog believes the potential for bolttech’s expansion is immense. An estimated $5 trillion of embedded insurance could be sold globally over the next decade, amounting to an increase from 1% to 16% of forecasted global insurance spend. Supporting affordable, high-quality embedded insurance products is a vital step to building economic prosperity and resilience for low-income families and businesses.

Potential size of embedded insurance market (worldwide, non-life and life insurance)

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<tr>
<th>GWP $ Bn</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
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<td>1500</td>
<td>2000</td>
<td>2500</td>
<td>3000</td>
</tr>
</tbody>
</table>

Source: Simon Torrance, 2022

10 Swiss Re, Embedded Insurance 2.0, 2022

Cover Image: Peter Kellfur, Unsplash