

MTN Group and MMI Holdings jointly announce the launch of a micro insurance joint venture branded aYo

Published: Sep 7, 2016 10:00:00 AM South Africa Standard Time

The joint venture will benefit from the scale, combined expertise and market access of both companies, to provide a strong basis to compete in a changing mobile financial services industry.

MTN Group and MMI Holdings today jointly announced the launch of a micro insurance joint venture branded aYo. The joint venture will benefit from the scale, combined expertise and market access of both companies, to provide a strong basis to compete in a changing mobile financial services industry.

Insurance penetration is low in many countries across Africa, and utilising the resources and capabilities that each of MMI Holdings and MTN provide, aYo will be able to improve this to offer relevant, accessible and easy to use insurance solutions to consumers.

Commenting on the partnership, Herman Singh, Group Chief Digital Officer of MTN said that "as MTN, we are excited about this partnership as it gives us an opportunity to further expand our bouquet of mobile financial services offerings across our footprint.

Working with MMI, and harnessing the rapid growth of mobile on the continent, we will be able to leverage our core competencies, strong brands and scale to deliver much-needed insurance solutions to our customers."

Danie Botes, Group Chief Operating Officer of MMI Holdings remarked that "the partnership with MTN will create new revenue streams for MMI, help achieve significant scale, explore opportunities in new markets and segments, and capitalise on the growth of micro insurance on the continent. The partnership will also allow us to further extend our client-centric vision of financial wellness across the Africa continent."

The aYo offering will be rolled out in a number of African countries from the end of 2016.

Fact Sheet

About the CEO

Imran Mahomed is the CEO of aYo Holdings. He is a fellow of the Actuarial Society of South Africa, holds an Honours degree from the University of the Witwatersrand and completed additional studies, including an AMP at Insead.

Mahomed has set up, overseen and been involved with a number of businesses in South Africa and sub Saharan Africa - mainly related to financial services. He is excited by new gadgets and technologies, enjoys interacting with diverse people, and is passionate about improving the lives of people across Africa.

About Mobile Network Operator distributed insurance

- Mobile Network Operator (MNOs) products accounted for 13% of total lives covered in Africa in 2014 (The landscape of micro insurance in Africa, 2015)
- Automatic or embedded coverage covers over 1 million lives on average, voluntary opt-in programmes cover on average just over 140,000 clients

About aYo Recharge with Care

- aYo Recharge with Care provides pre-paid MTN customers with free life (MyLife) or hospital (MyHospital) cover every time they load MTN airtime
- Cover is instant and valid for a minimum of 30 days
- MyLife cover is payable in the event of the Policyholder's passing whereas MyHospital cover is payable when spending at least one night in hospital due to a trauma event (i.e. accidental hospitalisation)
- Claims are paid into the relevant MTN Mobile Money account
- Once customers have signed up, they also have the option to buy extra cover using MyBoost or MyAutoBoost. With MyBoost, customers can buy extra cover using their airtime or MTN Mobile Money. MyAutoBoost allows customers to choose how much extra cover they want to purchase, and then every time they load airtime the amount is deducted automatically
- MyBonus is earned as customers interact with aYo Recharge with Care. MyBonus value will build up until it reaches a specific value at which point customers will be able to use it to buy additional cover, cash it out to their MTN Mobile Money account or buy MTN airtime

About aYo Send with Care

- aYo Send with Care allows MTN Mobile Money customers to purchase insurance cover valid for 120 days, every time they send money to a beneficiary (either an individual person or to a school for school fees)
- If customers send money to a beneficiary using aYo Send with Care and then in the unfortunate event of their passing or spending at least one night in hospital due to a trauma event, the accumulated cover will be paid into the beneficiary's MTN Mobile Money account over a period of 12 months
- A premium, that is payable by the sender of money, is applicable to Send with Care benefits. This cost is currently based on a fixed 5% of the amount sent to

the beneficiary or school

- MyBonus is earned when using aYo Send with Care. The value earned is an amount equivalent to 10% of the premium deducted from the customers' MTN Mobile Money account every time customers remit money using aYo Send with Care. MyBonus value will build up until it reaches a specific value at which it will be cashed out automatically to the customer's MTN Mobile Money account