



WHITEPAPER

Embedded insurance for telcos

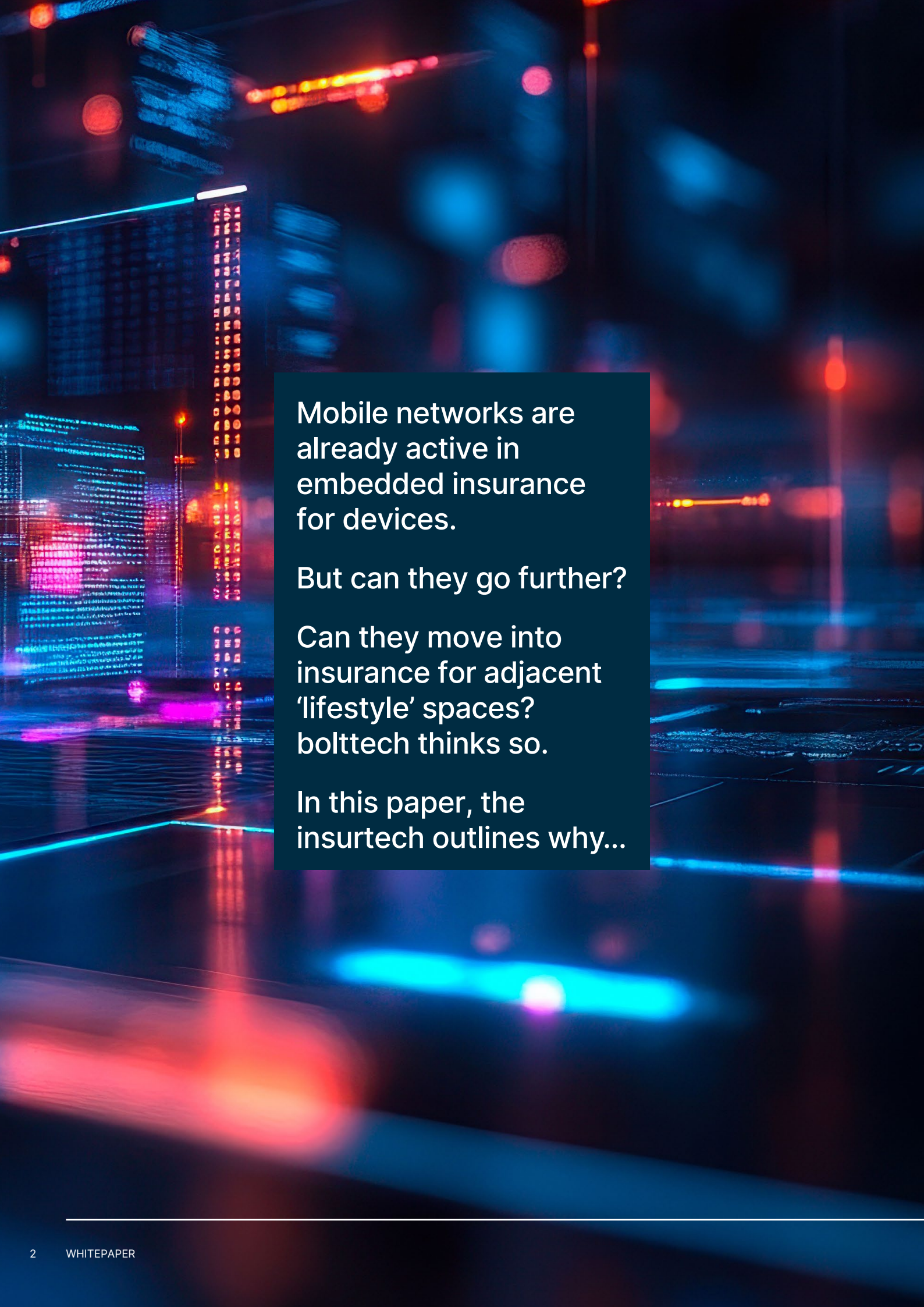
How MNOs can unlock a huge revenue opportunity
by protecting gadgets, travel, smart homes and more

Published by



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Mobile networks are
already active in
embedded insurance
for devices.

But can they go further?

Can they move into
insurance for adjacent
'lifestyle' spaces?
bolttech thinks so.

In this paper, the
insurtech outlines why...



Foreword

By Shiv Putcha. Director, Research & Consulting, GSMA Intelligence.

Mobile network operators (MNOs) are always looking for ways to drive growth – from core telco services and ‘adjacent’ product opportunities that leverage their reach and visibility. There are already good precedents for this approach. In emerging markets, operator-led “wallets” and value-added services (personal loans, receivables financing, and others) now generate significant income.

Embedded insurance is another area where operators can leverage their

position in the customer journey. They’ve already proved this in device protection for smartphones and wearable devices. Now there’s the chance to expand into new insurance offers around travel, smart home and other categories.

There are significant barriers, of course. To move into this space, MNOs must negotiate unfamiliar and complex regulatory and technical factors. The good news is that all these obstacles can be tackled with outside assistance from specialist providers.

Partners such as bolttech can also help with the greater challenge of integrating (via APIs) the customer-facing front end of the operator’s service with the insurance provider’s backend.

In so doing, they can help MNOs expand into wider insurance markets globally. This will create a win-win scenario for all stakeholders and help MNOs to offer much more than network and communication services.

Introduction

Insurance is a product that we don't want to buy, and we hope to never use. But when misfortune strikes, we are very glad we did.

This is why, despite the contradictions of its core product, the insurance business is now a vast and complex sector offering protection for a wide range of activities: life, healthcare, travel, cars, pets, and more.

New emerging risks and a global protection gap are creating fresh opportunities for the insurance industry. Today, the personal insurance market alone is worth \$1.1 trillion, according to McKinsey. And it's outpacing nominal global GDP by half a percentage point a year.

The ageing global population is driving up demand for healthcare cover. Then there is the rising purchasing power of the middle class in developing economies. Meanwhile digital habits are opening up important new product categories such as protection against identity theft and cyber-attacks.

But one of the most intriguing growth factors is the rise of embedded insurance.



Coverage at your fingertips

Embedded insurance describes the process of giving consumers the ability to buy protection products when purchasing other products. It's not new. Consider travel insurance. For years, tourists have routinely added cover when buying flights online.

The rise of embedded insurance is understandable. After all, if consumers rarely seek out insurance, it makes sense to offer a policy when the need is most relevant and contextual. And in an era of click-to-buy convenience, it's never been easier for consumers to purchase bundled insurance products.

Insurance firms also recognise the need for innovation in distribution. They know that traditional channels have become saturated. Meanwhile, the cost of customer acquisition is going up, loyalty is going down and loss ratios are increasing.

Embedded insurance offers a lifeline. It is the reason why 32 percent of professionals at insurance firms plan to invest more in embedded finance capabilities in 2025. And it explains why analysts expect the embedded insurance space to grow from \$156 billion in 2024 to \$703 billion in 2029.

Enter the mobile networks

Telcos are already committed to the embedded finance concept. Consider device protection. They have been bundling device insurance with new handset purchases for decades. And with premium devices costing \$1000, this market is flying.

But can telcos go further? Many insiders think so. They believe telcos are well-placed to offer insurance products around healthcare, cyber protection, travel, electronic devices, IoT and more. Why?

Telcos have many in-built advantages:

- They are trusted brands.
- They capture extensive customer brands.
- They run sophisticated customer care brands.
- They offer diverse points-of-sale such as in-store, in app, web and call centre.
- They have established payment channels (including carrier billing).
- They have widened their offering of products to include devices for the home and household.
- They have entered the market for subscription services to include home broadband, smart TVs, on-demand subscriptions and gaming.
- They can map customer journeys and identify the right moments to insert new embedded insurance offers.

Some telcos are already exploring embedded insurance beyond device protection. For example, Taiwan Mobile currently offers 13 different insurance products via its official app, while Singtel recently expanded its cover to include lifestyle gadgets.

Addressing the barriers

But for many mobile operators, there are still significant barriers.

First, the telco must identify the best insurance company to underwrite its new insurance products. Then it must connect its own IT platforms to those of its partners. Obviously, if it chooses to offer multiple types of protection, there's a risk that the cost to integrate can become prohibitive.

Beyond the set-up, there are issues around licensing, regulation, pricing, branding, sales and marketing. And even with all of this in place, there remains the question of how to handle thousands of customer claims.

Finally, working with several insurance carriers for different insurance offers causes concerns about offering a unified customers experience across all products with a digital first approach. Telcos want to avoid that customer experience differs depending on provider when it comes to a claim – the moment of truth for any insurance cover.

To overcome these barriers, bolttech developed an embedded protection proposition service tailored especially for telcos which we call “telcosurance-in-a-box”. bolttech is connected to hundreds of insurance companies and has developed a single API to let mobile operators easily connect to their platforms. Telcos only need to connect once – no matter how many products they want to offer. And with our Protection Hub we allow telcos' customers to have one single customer interface (white-labelled) to access all insurance product and services with a unified customer experience. Meanwhile, bolttech handles all regulatory requirements and offers go-to-market and claims support.



bolttech has already enabled up to 30 telcos to launch device protection products across the globe. Now it is helping them move into new non-core areas such as gadgets and cyber. In return, mobile operators are showing great interest. They know that embedded insurance products offer the potential for new revenue, reduced churn, and improved NPS (Net Promoter Scores).

In this whitepaper, we will examine the area of embedded insurance for telcos more closely. We will explore:

- What makes MNOs and OEMs suitable distributors of insurance products?
- The commitment required of telcos when offering insurance cover.
- Travel? Gadgets? Cyber? The new market opportunities for telcos.
- How to navigate the challenges of embedded insurance.
- The details of bolttech's telco proposition.
- Case studies of telcos already innovating in the space?

What makes MNOs and OEMs suitable to distribute embedded insurance products?

As described in the introduction, many observers consider embedded insurance to be critical to the future of the industry. Embedded insurance gives underwriters access to a broad new user base, many of whom have been hard to reach using conventional marketing channels.

In fact, companies in multiple verticals are already exploring the opportunity.

- Automaker Stellantis expects to generate more than 4 billion euros from affinity insurance by 2030.
- Mercado Libre, a LATAM e-commerce firm, had 5 million insurance clients in 2023.
- Department store El Corte Ingles' insurance portfolio grew by 16 percent in 2024.

Now telcos are joining them. So why do they make such good distributors of embedded insurance?

Well, for a start, telcos have been involved in the wider area of embedded finance for years. Consider, for example, the partnership between Telefónica and CaixaBank to offer consumer financing for mobile handsets. And then there is carrier billing and mobile money. All these products allow underbanked consumer groups to make purchases and access financial products – loans, savings – that would otherwise be unavailable to them.



Case study: MasOrange A dedicated MNO-branded insurance agency

MasOrange has taken a more ambitious approach than many of its MNO peers by launching its own insurance mediation agency, MasOrange, led by a team with regulatory expertise and strong relationships with insurance carriers.

To orchestrate seamless interactions with customers, insurers, and its distribution channels, MasOrange partnered with bolttech to develop a proprietary SaaS platform. This solution connects MasOrange's distribution network with insurance carrier products, and its front end is deployed on AWS to ensure compatibility across devices and languages.

MasOrange and bolttech placed particular emphasis on customer experience. The platform has been designed to support full online self-service, including single sign-on access to consolidate customer information. It is fully prepared to enable features such as centralized access to insurance policies, documentation, and privacy settings as part of its development roadmap. It is also agent-friendly, integrating with telesales channels and providing a portal where agents can manage accounts and sell insurance efficiently.

Cristina García Jiménez, Director of TelcoInsurance at MasOrange Spain, explains:

"MasOrange has entered the insurance market in Spain by leveraging its strengths in data analytics, digital capabilities, and customer relationships to deliver innovative products and services tailored to evolving consumer needs. With a focus on digital onboarding, mobile-first experiences, and flexible payment options, the company has achieved strong customer adoption. Building on this foundation, MasOrange is prepared to offer the most comprehensive and innovative portfolio of personalised insurance products, powered by artificial intelligence and advanced analytics, to deliver even more relevant, seamless, and value-driven experiences to our customers."

New markets opening up emerging opportunities

Now, telcos are eyeing new mobile-adjacent insurance possibilities. They want to move from device cover to lifestyle protection for gadgets, smart home, travel and cyber.

Let's re-cap what makes telcos so well-placed to extend into these areas.

Context is often the purchase trigger.

Placing an offer at the right moment improves the possibility of a sale. Telcos know this works with device protection. But what about other areas? Consider travel protection. A mobile network knows when its customers are roaming. It could use this as an opportunity to sell travel insurance for the precise duration of the trip. The same thinking could apply to gadgets, smart homes, and so on.

Consumers are more likely to buy from brands they trust.

Insurance demands a level of commitment from consumers. In return, they want reassurance around financial stability, customer support and so on. Telcos can offer this.

The best distribution partners have large customer bases.

This makes a vast addressable market available to insurers in an instant. 21 telcos have more than 100 million subscribers.

Distribution partners can use their own data insights to create products that meet customer needs.

Telcos are in the data business. They can study the behaviour of their users to create tailored offers, and then use their own channels (text, in-app notifications, in-store agents, call centres etc.) to promote relevant products.

Distribution partners can bring friction-free buying to insurance.

Mobile operators are digital-first businesses that make it easy for customers to discover and purchase add-on services such as insurance. A good existing example of this is video streaming. In recent years, telcos have become key distribution partners for Netflix, Disney+ et al. In fact, 20 percent of all streaming video subscriptions are now sold through bundling partnerships with telco companies.

A constant presence.

In most cases, consumers give little thought to insurance companies unless they are buying, renewing, or making a claim. By contrast, telcos are constantly present in their customers' lives. They know when a person changes his or her circumstances – and have the ability to respond quickly.

Case study: Taiwan Mobile Travel insurance offered entirely in-app

Taiwan Mobile set out to embed insurance directly into its app and website to offer greater value and convenience to its 10 million customers. However, its original insurance broker lacked the necessary online licensing and digital capabilities. To address this, Taiwan Mobile turned to bolttech.

In May 2023, bolttech launched a fully integrated, white-label insurance platform within the telco's digital ecosystem, tailored to local market needs. The solution went live with 13 travel insurance products from Fubon Insurance Co., Ltd. It offered in-app purchases via credit card, which removed the need for external payment redirects.

The partnership also featured targeted marketing through SMS, app placements and loyalty incentives,

alongside end-to-end support across compliance, technology, and operations. The results were impressive: a 29 percent conversion rate and more than 12,500 users in the first year.

Vincent Wu, Vice President, Telecom Financial Service of Taiwan Mobile, says: "Taiwan Mobile possesses inherent advantages including KYC (Know Your Customer), big data and a database of 10 million users. With the goal of creating a comprehensive telecom financial product ecosystem, Taiwan Mobile has collaborated with international insurtech bolttech to establish this online insurance platform. Users can select suitable products anytime and anywhere based on their insurance needs. Taiwan Mobile will also continue to expand the insurance product offerings to provide users with more convenient insurance choices."



Embedded insurance: How committed are MNOs now?

In this paper, we have described the potential of embedded insurance and set out the reasons why MNOs are well-placed to participate.

It raises the question: how involved are they now?

As described in earlier sections, many telcos already sell embedded insurance in the form of cover for phone damage, theft or loss. And this market is growing. Why? One reason is average device cost. With premium models costing \$1,000 and more, there is rising demand from customers to protect their purchases.

Another is the centrality of a phone to modern life. Phones are not just for communication. They are cameras, note takers, diaries, newspapers, music and video players, maps. The more indispensable an item becomes, the more people want to insure it. This underscores why protection is so important. It is not just about financial compensation, but also about getting consumers quickly back into the digital lifestyle.

Meanwhile, phone theft is rampant. Data from a 2024 GSMA study says a device is stolen every six minutes in London, while thieves steal 2,737 phones per day in Brazil. GSMA analysis estimates the theft rate at around one percent of active customers, despite sophisticated new anti-theft measures.

Extending device protection beyond the phone

Another important driver of device protection is the spiralling number of devices to protect. According to a Deloitte study, as of 2023 US households had on average 21 connected devices, covering 13 device categories such as tablets, smart TV, smart speakers, streaming devices, and smart lighting.

Householders are keen to insure these products, which is an opportunity for telcos. They might not sell smart TVs, speakers and so on, but they do connect them. For the consumer, extending a device protection policy from the smartphone to a wider group of digital devices makes sense. Some MNOs, such as Singtel, are already active in the space (see box, page 11).

In fact, telcos can go even further – into cyber protection. The Deloitte report found a third of smart home device consumers reported being the victim of a data breach or being scammed in the previous 12 months. Among households that had one to 15 devices, 11 percent reported at least two data breaches in the previous 12 months. For those with 30 or more, it was 29 percent.

Clearly, fear of scams and identity theft is growing. This presents an opportunity for MNOs to harness their high trust levels and sophisticated customer care to build products that support their customers.

Of course, not all consumers have access to premium smartphones and large families of digital devices. But even lower income customers still want insurance.

In fact, the market opportunity for embedded insurance in developing markets is now a major growth story for telcos.

Microinsurance in developing markets

GSMA's State of the Industry Report: Mobile Money 2024 reveals that, in the last ten years, MNOs have launched over a hundred mobile-enabled insurance services. These services started as loyalty-based insurance products, where basic health or life cover was provided based on the amount of airtime purchased.

But over time, some started to offer insurance as a standalone product, with many using mobile money channels to collect premiums and process pay outs. In the most recent analysis, there were 135 mobile-enabled insurance services in 28 countries – primarily in Sub-Saharan Africa and Asia.

This growth was powered by the collaboration between MNOs, mobile money providers, global or local insurers, and technical service providers. Three main operational models have emerged, led respectively by each of the players. Currently, 58 percent of mobile-enabled insurance services currently involve a technical service provider.

More recently, MNOs have become active in co-designing insurance services. Their systems and insights can help insurers manage customers' data, provide geographic and demographic analysis, and thus tailor their offerings for specific customers.

Consequently, telcos have expanded from life and health insurance to income protection, education, auto and house insurance. Examples include Britam's third-party motor insurance policy offered via through M-Pesa in Tanzania, and Airtel Nigeria's partnership to offer health insurance with AXA Mansard. Meanwhile Safaricom's customers can buy data bundles (using either airtime or mobile money) and receive insurance coverage for medical expenses, permanent disability and funeral expenses.

Enabling telcos to become insurance providers

As this analysis has outlined, there are now compelling reasons for a telco to enter the embedded insurance market. MNOs have high levels of end user trust, their own payment channels, multiple consumer touch points, plentiful customer insights, and more. All these factors put telcos in a strong position to offer embedded insurance products such as:

- Device protection for phones.
- Device protection for adjacent physical products: smart home, wearables, IoT, gadgets.
- Cybercrime protection and identity fraud.
- Payment protection.
- Healthcare.
- Travel.
- Home.

But, of course, entering these markets is not straightforward. There are significant barriers to entry – especially for products that the consumer doesn't immediately associate with his or her telco.

Essentially, an MNO – like any vendor of embedded insurance – will only succeed when it offers the right product at the right time with the right user experience.

To achieve this, telcos face three main challenges. The first is choosing the product itself. MNOs are not underwriters. In the embedded space, they are the distributors, not the providers, of third-party cover. Their task is to decide which product and which partner is best for them. Linked to this is the challenge of legal compliance, since some products require regulation while others don't.

The second challenge is integration into IT. Once the telco has selected its insurance partner, it must connect its partner's systems to its own. That means integration with platforms for payment, on-boarding, sales, and customer care (digital and in-store).

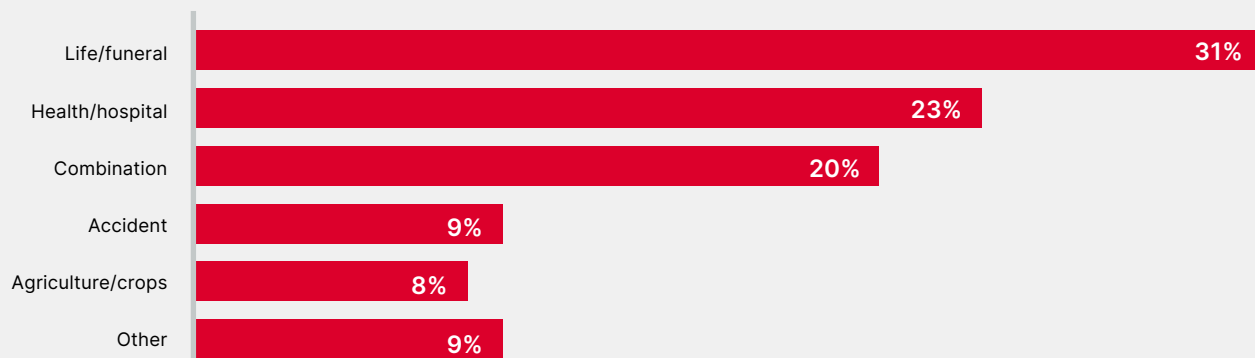
And finally, there's claims processing. This is what makes selling insurance different from other bundled products (such as video streaming). The way a claim is handled has a huge impact on customer Net Promoter Scores. Telcos cannot afford to disappoint customers that trust them enough to handle their insurance cover. It is essential for MNOs to find partners that will deliver high levels of availability and response times.

Five years in the making: the bolttech platform

Over the last five years, bolttech has developed a partner-led B2B2C business model to dismantle all these obstacles. As an insurtech it allows telcos, and partners in other verticals, to enter the embedded insurance market with minimal effort our telcosurance-in-a-box value proposition.

The first part is the insurance itself. bolttech has become the tech enabler for underwriters across all regions and product types. Currently, more than 250 insurers provide

Breakdown of mobile-enabled insurance services by policy type



Source: State of the Industry Report: Mobile Money 2024

Case study: Singtel

Offering extended warranty for lifestyle gadgets

Singtel wanted to launch an extended warranty option for lifestyle gadgets. With bolttech it built a service to give customers up to three years of extended warranty on devices purchased at Singtel. They include TVs, laptops, gaming consoles, and even massage chairs.

The plan offers customers unlimited repair requests capped at the original product purchase price, like-for-like replacements with complimentary labour, complimentary pickup and delivery services for smaller items, and onsite repairs for larger appliances.

more than 6,500 protection products to its platform. These products generate more than \$65 billion in premiums a year via 700 distributors. bolttech has also accumulated regulatory expertise from working across multiple regions and can advise telcos on what is needed.

For telcos in particular, we have developed a portfolio of near-core insurance products, i.e. insurance offers which are close to the core business of telecom operators and are easy to sell for the telco channels – and customers understand why telcos offer these products. These near-core products include offers such as home electronics cover, cyber protection, payment protection (i.e. related to recurring payments to telcos), travel, home insurance and IT assistance. bolttech has an established ecosystem of insurance and assistance providers and can make the offers of these partners available to telcos via our digital platform.

Just as important is bolttech's technical platform. The company developed a single no-code API to plug third parties into its systems and thereby link them to 250 insurance carriers. bolttech describes its platform components as 'lego blocks'. It starts a partnership by asking which blocks are required. For example, a partner might need a payment gateway or a broker licence or CRM tool. In all, there are 230 different microservices on the platform.

bolttech's partnership with leading telco in Thailand, AIS illustrates the power of the platform. AIS was able to launch its insurance platform in just three months, serving a customer base of 38 million.

The third component of the bolttech offer is the customer interface and in particular the claims process. bolttech offers telcos a white-labeled Protection Hub which is a single customer interface which can be integrated seamlessly into the mobile app of telcos. This Protection Hub is the central interface where customers have all their insurance policies in one place, can access any information and start a service request

such as a claim notification. This Protection Hub ensures a unified customer experience independent on the insurance product and carrier.

All customer interactions are based on a Digital-first approach and bolttech has worked hard to automate its end-to-end claims management system leveraging AI. In device protection, automation is now at 96 percent. This matters because it means the system can handle a claim and deliver a new phone within six hours. That's a transformative customer experience.

Needless to say, bolttech constantly monitors and improves its white-label telco services. It remains agile in adjusting the details – from altering font sizes to refining customer profiles – that continually enhance satisfaction levels.

The bolttech offer in numbers

37+

markets across Asia, Europe, North America and Africa

250+

insurance providers

700+

distribution partners

\$65 billion+

in annual premiums

6,500+

product connections

Considerations for MNOs

Experiment with new monetisation ideas.

Alongside investment in 5G networks, MNOs must explore new monetisation avenues. Embedded insurance is a promising opportunity. Industry stakeholders should come up with bundled offerings that drive value for customers.

Leverage network APIs to improve product quality and relevance.

2024 saw the rise of telco network APIs as a key enabler for B2B services. MNOs can use them to make many of their key metrics available to partners. For example, operators can identify a customer's location to expose the moment when they might be most likely to buy a travel insurance add-on.

Start with near-core offers

To ensure early success and create momentum for the telcosuranc growth initiative, we advise our telco partners to start with insurance offers which are close to their core business and easy to sell for their frontline.

Partner with insurtechs for easy integrations into insurance.

Telcos do not have core competence in the insurance industry, especially in regulation, compliance, and approvals. They also lack direct visibility into the IT infrastructure adopted by insurance companies. Choosing the right partner to help will be crucial.

Considerations for insurers

Enlist telcos as distribution partners.

Telcos have significant reach and make attractive distribution channel partners. Companies involved in consumer electronics, travel and more should embrace the chance to work with and get to know them.

Tap into operator customer data and insights.

MNOs collect valuable insight on customer behaviour and propensity to pay – and a lot of this information is in real-time. This can greatly speed up contextual decision making for product offers. It can also identify customers who may not rank as ideal candidates for embedded insurance through normal channels and metrics.





Where telcos go from here:

The global consumer insurance market might be worth \$1.1 trillion, but underwriters are constantly exploring new product ideas. They are also looking at ways to make these products easier to discover and buy. This explains the rise of embedded insurance – bundling protection with related ‘adjacent’ services. According to analysts this market could gross \$700 billion by 2030.

Mobile networks are ideally placed to participate. They have brand trust, data insights, payment systems and customer care infrastructure to sell insurance products to a willing base.

Of course, some telcos are already active in the embedded space, selling smartphone cover to millions of customers. But now they can go further, deploying their in-built advantages to offer products around healthcare, cyber protection, travel, electronic devices, IoT and more.

Thanks to specialist insurtechs such as bolttech, it’s easier than ever for MNOs to find insurance partners and integrate their products. All the perceived barriers around licensing, regulation, product positioning and claims are falling away.



bolttech is a global insurtech with a mission to build the world's leading, technology-enabled ecosystem for protection and insurance. bolttech serves customers in more than 37 markets across Asia, Europe, North America, and Africa.

With a full suite of digital and data-driven capabilities, bolttech powers connections between insurers, distributors, and customers to make it easier and more efficient to buy and sell insurance and protection products.

For more information, please visit www.bolttech.io



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