MICROINSURANCE
Creating Client Value

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EA Consultants
An international consulting firm dedicated to supporting development initiatives that facilitate access to finance, to markets, and social protection for low income communities around the world

We combine investigation and practice

We have more than 9 years of experience in international development

We specialize in providing technical assistance, investigation, evaluation, supervision, and strategic planning
THE CLIENT PERSPECTIVE
CLIENT CENTERED DESIGN

PRODUCT DEMAND

CLIENT VALUE
Designing products that are **appropriate**, **accessible**, **affordable**, **responsive** and **simple**

- **Product**
- **Access**
- **Cost**
- **Experience**

Adapted from the International Labor Organization framework for client value assessment
Cost

Premium
- Premium to benefit ratio
- Premium to income ratio

Financial Value
- Value of product as compared to other risk coping strategies
EA Consultants uses “CLIENT MATH” methodology to assess the financial value of microinsurance products.

**CLIENT MATH**

1. Add up the full direct and indirect cost of the shock for insured and uninsured samples.

2. Add up different financing strategies used to cover the shock for insured and uninsured samples.

3. Compare insured and uninsured.
Financial Value

Client Math for assessing the value of a health product

1. Add up the full costs of the health shock
   - Doctors Fees
   - Lab Testing
   - Medicine
   - Transportation
   - Lost Income

   Direct Costs
   Indirect Costs
   Opportunity Costs

2. Add up different financing strategies used to cover the shock
   - Formal Loans
   - Informal Loans
   - Reduced spending
   - Savings/Assets
   - Income
   - Gifts
Financial Value

3. Compare the insured and uninsured

Data from a client math study of health insurance in central Kenya
Access

Knowledge
- Knowledge about product use
- Knowledge about product choice and enrollment

Convenience
- Payment and delivery channels
- Simple processes
- Proximity

Quality
- Services that align with client needs
- Quality of service
CREATING CLIENT VALUE THROUGH ACCESSIBLE PRODUCTS
Designing an accessible product

EA Consultants worked with INISER in Nicaragua to design a client centered life insurance product for distribution through an MFI.
Listening to Clients

We held a focus group discussion to learn about what MFI clients wanted out of an insurance product
Listening to Clients

Women were most concerned about leaving their loved ones with no financial cushion if they died, but had some concerns about **life insurance**:

- The payout money will not be used as I want
- The payout money will be a burden on my family

**Cashless Product**

- small, informal loans
Product Design

1. Pay off MFI loan
2. 6 months of coupons at a major supermarket chain
3. Funeral Cover
4. $200 (to cover informal loans)
Adding value

The payout money will not be used as I want

Cashless Product

The payout money will be a burden on my family

Concern over cervical cancer

Final Product
Training field agents

- Conducted extensive sales force training
- Experimented with different incentives for sales agents
- Took the loan officers to gynecological clinics
Results

- Selling 1200 policies per month
- Men purchase the product at the same rate as women
- The product is now being offered outside of the MFI (without gynecological benefit)
- Challenges with retention as a result of low utilization
Conclusions

Creating product demand requires client centered design

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THANK YOU

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