

## PROJECT FACTSHEET

<b>Title of project</b>	<b>SCBF 2011-04: Innovative Micro-insurance Products for Rural Poor in Nepal</b>
<b>Country / region</b>	<b>Nepal / Central Region</b> (in 4 districts thereof 3 rural mountainous districts)
<b>Financial Intermediaries</b>	<b>Manushi</b> , a Financial Intermediary Non Governmental Organization (FINGO) <b>PrimeLife Insurance Company Ltd.</b> , a private life insurance company
<b>Swiss Competence Centre mandated for execution</b>	<b>Association PlaNet Finance Suisse</b> c/o Sogeti, 65 rue du Rhône, 1204 Geneva, Switzerland
<b>Overall project budget</b>	CHF 215'382 ( <b>30,6%</b> self-contribution by partners)
<b>SCBF contribution</b>	<b>CHF 149'570</b> (69,4% SCBF funding share)
<b>Date of project approval</b>	11 January 2012
<b>Project period</b>	February 2012 - September 2013 (20 months)
<b>Context</b>	<p>Access to insurance of the rural poor is mostly limited to MFI run insurance-like relief schemes, which are largely insufficient to provide adequate protection. In fact, an overwhelming majority of the rural poor in Nepal does not have access to insurance to reduce its vulnerability to various risks: risks of sudden death and/or permanent disability of the income earner (life insurance), other risks related to health, livestock, microenterprise, etc. Only a few pilot micro-insurance schemes with minimal outreach exist so far.</p> <p>The government promotes financial inclusion vision as part of its poverty alleviation strategy, notably to expand financial services to the un-served rural areas. To support this, it has set up a new favourable insurance regulation.</p>
<b>Current status</b>	<p>Manushi is a leading FINGO operating in 4 districts serving 15'416 female clients through 10 branches. It has a strong social mission with a good track record over the past years: USD 1,2 million loan portfolio with 0,42% portfolio-at-risk, and 123% operational self-sufficiency. However, Manushi lacks a proper MIS software.</p> <p>PrimeLife is a private life insurance company known for innovation and commitment to micro-insurance. It has sales network in all 75 districts. Its financial performance is sound with USD 0,6 million net profit in the last fiscal year.</p> <p>PrimeLife Insurance and Manushi started offering a microlife insurance (endowment) product to Manushi's clients since April 2011 using the partner agent model. However, the current delivery process is time consuming and costly. Integration of the product into the management processes of Manushi - like internal control, cash management and an upgraded IT-based MIS system - needs to be addressed through appropriate technical assistance.</p>
<b>Objective and main activities</b>	<p>The <b>objective</b> is for Manushi to offer at least two client-oriented micro-insurance products on a sustainable basis to its growing clientele of poor women. Manushi intends to reach 4'500 new clients within the next three years. It is expected that a successful collaboration between a leading MFI and a leading insurer would invite others to replicate the expansion of micro-insurance services to poor people.</p> <p>The <b>main activities</b> of the project are to:</p> <ol style="list-style-type: none"> <li>1) Assist Manushi in selecting and introducing an adequate MIS software.</li> <li>2) Develop a MIS manual and help training the staff in using the MIS software.</li> <li>3) Assist Manushi and PrimeLife in optimising the delivery process for the pilot microlife insurance product covering marketing, sales, client information, premium collection, and claims management and settlement.</li> <li>4) Assist Manushi and PrimeLife to develop and launch a new sustainable micro-insurance product with low premiums.</li> </ol> <p>At the end of the project, Manushi and PrimeLife will have upscaled the microlife insurance product and will have gained the capacity to manage micro-insurance products in a sustainable way.</p>