

Paving the Way for Financial inclusion

Michael J. McCord

Chairman of the Board, Microinsurance Network

President, MicroInsurance Centre

GIZ Microinsurance Learning Sessions

May 30th, 2016

Sofitel Cairo Nile El Gezira Hotel

Cairo, Egypt



Re-cap:

I. Setting the Stage for MI

KEY LEARNINGS:

- ✓ EGYPT IS SIGNIFICANTLY BEHIND IN MICROINSURANCE
- ✓ ADMIN EXPENSES ARE TOO HIGH IN EGYPT
- ✓ MOST PROFITABLE, THOSE THAT ARE NOT PROFITABLE ARE: SMALL AND NEW

RECOMMENDATIONS:

- ✓ DEVELOP SUAVE PRODUCTS
- ✓ REMEMBER, FOR LOW INCOME PEOPLE, "TOUCH" MAY BE NEEDED
- ✓ IMPLEMENT ACTIONS TO UNDERSTAND CLIENTS

"Success in MI requires scale, innovations and value for clients."

-Michael J. McCord



Re-cap:

II. Role of Regulation in supporting MI Market Development

KEY LEARNINGS:

- ✓ NEW CHAPTER IN LAW ON MI WILL ADDRESS MANY OF THE ISSUES
- ✓ THERE ARE THINGS THAT CAN BE DONE BEFORE THE REGULATION IS PASSED
- ✓ IMPORTANCE OF BUILDING TRUST

RECOMMENDATIONS:

- ✓ CONTINUE A PROCESS OF CAPACITY BUILDING FOR ALL KEY STAKEHOLDERS
- ✓ ENHANCE INVOLVEMENT OF MAJOR PLAYERS IN DIALOG (MI COMMITTEE)
- ✓ WORK CLOSELY WITH ACTUARIES

“You cannot do cut and paste with MI.”

-Kofi Andoh,
Head of Supervision,
NIC Ghana



Re-cap:

III. Making a Business Case for MI

KEY LEARNINGS:

- ✓ **LONG TERM PERSPECTIVE. MANAGE EXPECTATIONS!**
- ✓ **COMPULSORY PRODUCTS CAN BE 1ST STEP TO ACHIEVE SCALE.**
- ✓ **USE OF THE (RIGHT) TECHNOLOGY CAN INCREASE OUTREACH AND EFFICIENCY.**
- ✓ **REGULATION NEEDS TO ALLOW INNOVATIONS**

RECOMMENDATIONS:

- ✓ **UNDERSTAND THE DEMAND OF YOUR CLIENTS.**
- ✓ **HAVE THE RIGHT ORGANIZATIONAL SETUP FOR MICROINSURANCE.**
- ✓ **CONTROL CLAIMS COSTS AND MANAGE EXPENSES.**
- ✓ **PARTNERSHIPS CAN HELP TO OVERCOME CHALLENGES.**

“I will not touch something that is not sustainable. It has to make a profit, but a reasonable profit”

-Gilles Renouil,
WWB



Re-cap:

IV. Innovative Ways of MI Distribution

KEY LEARNINGS:

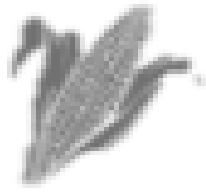
- ☑ **CROSS-SELLING INCREASES VIABILITY AND RETENTION**
- ☑ **PRODUCTS MUST MATCH CLIENT NEEDS WITH SUAVE DESIGN**
- ☑ **FINANCIAL EDUCATION AND AWARENESS IS IMPORTANT**

RECOMMENDATIONS:

- ☑ **MFIS HELP TO START MI MOVING, BUT NEED TO LOOK BEYOND**
- ☑ **REGULATORS (ALL) SHOULD RESPOND TO CLIENT NEEDS & ALLOW BROAD DISTRIBUTION**
- ☑ **DESIGN PRODUCTS KNOWING THE NEEDS OF EGYPTIANS**

“With insurance, my distributors can differentiate themselves from their competitors.”

Rehan Butt,
Microensure



Re-cap:

V. Agriculture insurance

KEY LEARNINGS:

✓ DEMAND FOR AGRICULTURE INSURANCE EXISTS

✓ IT IS A NEW FIELD AND GOVERNMENT SHOULD PROVIDE SUPPORT

✓ ISSUES OF TRUST REGARDING THE AMENDMENT

OF THE LAW

'Crazy tomatoes season – prices are either very high or low'

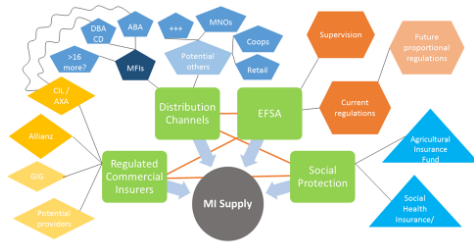
RECOMMENDATIONS:

✓ ACCESS TO WEATHER, YIELD AND PRODUCTION DATA TO DESIGN GOOD QUALITY PRODUCTS FOR SUCCESSFUL PILOTS

✓ POLICY SHOULD COMPLEMENT RATHER THAN SUBSTITUTE GOOD FARMING PRACTICE

✓ LAW ITSELF NEEDS TO BE REVISITED

-Gehane El Sokkary



Re-cap: VI. The Need for a Multi-stakeholder Approach to Support MI Markets

KEY LEARNINGS:

- ☑ WE ARE STRONGER IN DEVELOPING MI WHEN WE ALL WORK TOGETHER
- ☑ EGYPT HAS AN MI “PLATFORM”
- ☑ SUCH A PLATFORM IS IMPORTANT FOR COORDINATION

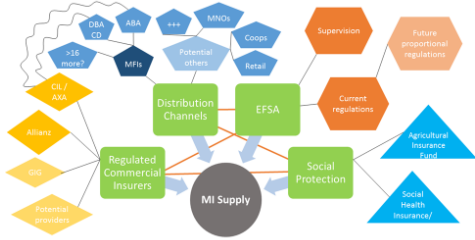
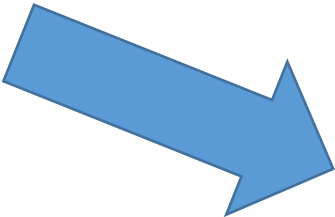
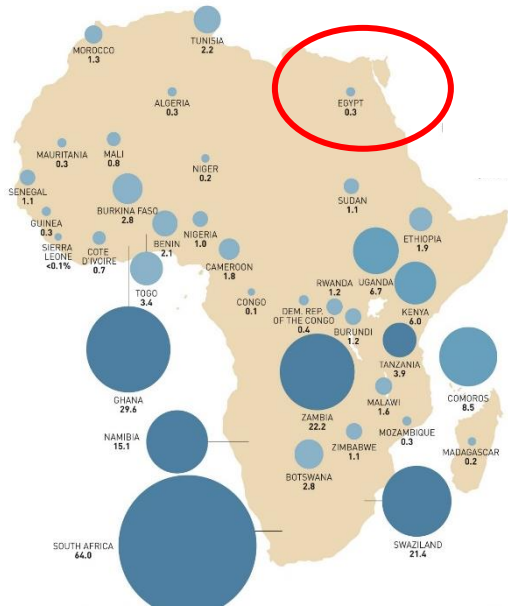
RECOMMENDATIONS:

- ☑ STRENGTHEN AND GROW THE MI “PLATFORM”
- ☑ ACCESS OTHER MI “PLATFORMS” TO GAIN LESSONS, KNOWLEDGE, AND DIALOG.

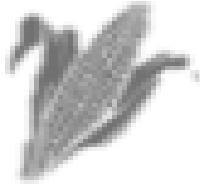
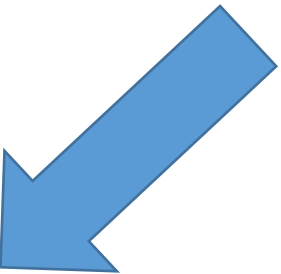
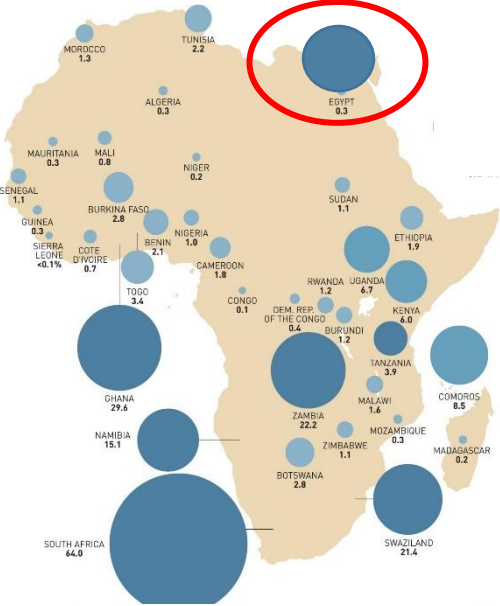
“I am inviting you to join us at the microinsurance platform”

-Abdel Raouf Kotb
Chairman, IFE

Going Forward



What does this mean and where do we go from here?



What is one concrete action you will take as a result of this event?



THANK YOU!



www.MicroInsuranceCentre.org